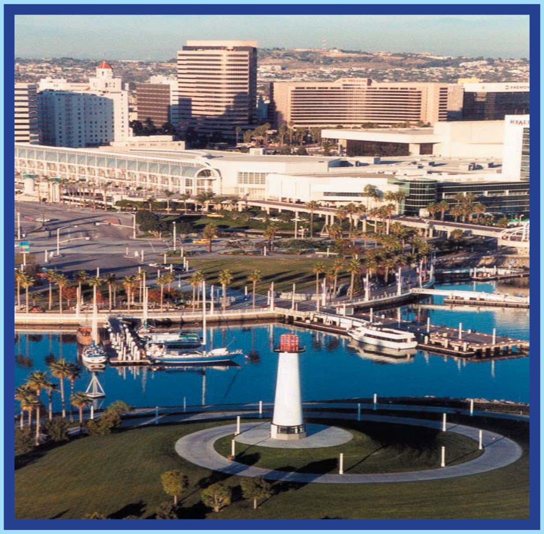
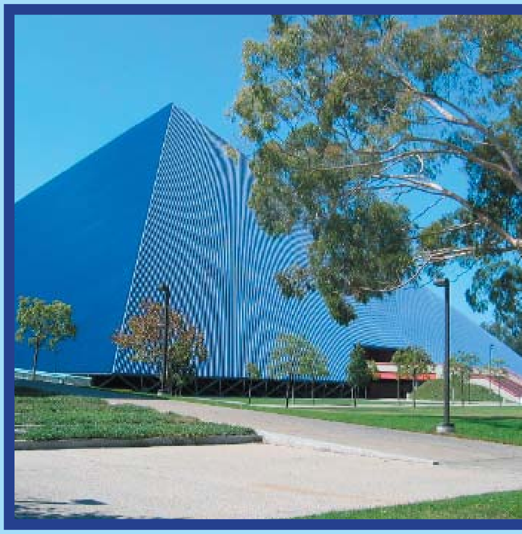
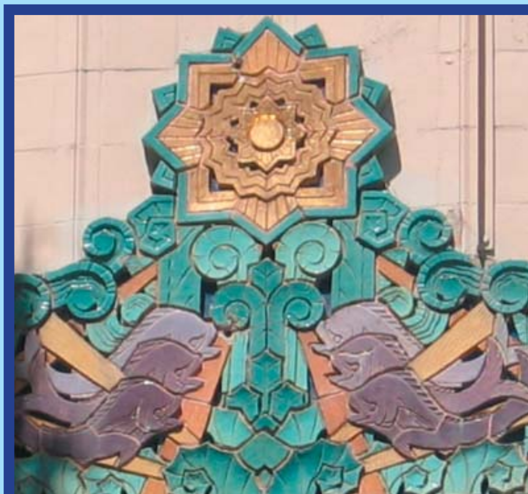
**JBS City of Long Beach**
**Jobs and Business Strategy**
"Our Vision for the Future"

# Long Beach Economic & Market Analysis

## Volume II



MARIE JONES CONSULTING
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### *The Jobs and Business Strategy Steering Committee*

| | |
|---|---|
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# 1 KEY FINDINGS

This report is a starting point for the formulation of a meaningful Jobs and Business Strategy for the City of Long Beach. It paints a picture of the city's economic strengths, weaknesses and trends today and into the future. The Long Beach community (residents, workers, businesses, and City Hall), will decide together how this information should inform and guide the city's future economic development activities and investments.

**Key Demographic Findings**

- **Long Beach is part of a regional economy**

  With 66 percent of employed residents working outside of the city and 63 percent of jobs within the city held by non-residents, Long Beach has characteristics of both an economic center and a bedroom community.

  Long Beach businesses buy and sell services and inputs to businesses throughout the region. Long Beach's strongest economic sectors export goods and services beyond our city boundaries to residents and businesses throughout Los Angeles, California, and the world.

- **Long Beach is "a tale of two cities"**

  Long Beach has a very diverse population, where income, education and ethnicity split geographically along from east to west. The eastern portion of Long Beach is home to residents with higher education attainment, higher average income and lower poverty rates than the western part of town.

- **Long Beach's middle class is shrinking**

  In 2003, 48 percent of Long Beach households earned less than $35,000 per year, while just 40 percent of California households earned less than $35,000 per year.

  Long Beach has twice the poverty rate of California.

- **Some of our youth are in trouble**

  Poverty impacts children more than any other group in Long Beach: 32 percent of children live in poverty. Some segments of Long Beach's youth are in trouble: 21 percent of 16-24 year olds are high-school dropouts, and 19 percent of all youth (including those with and without high-school diplomas) are not employed and not in school.

**Key Job Findings**

- **Our key job sectors are changing**

  Long Beach's economy has shifted from a manufacturing and trade-based economy to one focused on health services, education, tourism, and professional and businesses services.

- **Our total number of jobs has remained stable, however the quality of our jobs has declined**

  Employment has remained relatively stable over the past 6 years at around 164,000 jobs, as declines in manufacturing (-10,306 jobs) have been offset by increased employment in tourism (+6,541 jobs), retail trade (+3,940 jobs), health care (+7,270 jobs), and professional and administrative services (+7,649 jobs). This employment shift has likely caused, or at least aggravated, the shrinking middle class and increasing rates of poverty, as new jobs pay less on average than lost jobs.

**Key Market Trends**

- **Housing is no longer affordable**

  Long Beach's relatively long stint as one of the last affordable beach towns in Los Angeles County has ended. Long Beach average rents ($1,150/month) and housing costs ($453,000) now approach those of other Los Angeles beach communities.

- **The Long Beach commercial market is strengthening**

  Long Beach's office market is healthy with ten percent vacancy and average lease rates of $2.00/square foot. Vacancy rates are on a downward trend and lease rates are increasing. The outlook is good as absorption of Class A and B space continues unabated.

  The industrial market is very tight, with a vacancy rate of 2.8 percent and rising lease rates.

  The retail market is a mixed bag of well performing neighborhood and promenade shopping (Bixby Knolls, Belmont Shore, etc.), poorly performing commercial corridors (Pacific Coast Highway, Long Beach Blvd, etc.) and mixed performance in Downtown's shopping venues (Pine Avenue, the Pike, City Place, etc.).

  The hotel and tourism market has recovered from 9/11 and the recession that followed. With 49 hotels providing 4,928 rooms, occupancy has reached a balanced 75 percent and two new hotels are in the planning stages.

# 2 INTRODUCTION

### *2.1.1 PURPOSE*

This report provides an in-depth analysis of demographic, economic and real-estate market conditions and trends in the City of Long Beach. The analysis also explores economic and real estate trends in the Los-Angeles-Long Beach MSA, as the Long Beach economy is intertwined with that of Los Angeles. This report is meant to provide economic and market information and analysis in order to inform the development of the Long Beach Jobs and Business Strategy and the Economic Development Element of the General Plan.[1]

### *2.1.2 PROJECT CONTEXT*

As the title suggests, this report – Volume II: Long Beach Economic and Market Analysis – is one of three volumes of the Jobs and Business Strategy project. The volumes include:

- ***Volume I: Long Beach Jobs and Business Strategy*** outlines specific strategies and initiatives to achieve the community's vision for economic development. The detailed strategies were formulated based on community input, economic analysis, market trends and the consultant's professional experience.

- ***Volume II: Long Beach Economic and Market Analysis*** presents current demographic, economic and market data, trends, and maps that support and inform Volume I.

- ***Volume III: Long Beach Community Input Report*** records community input from focus groups, business community meetings, neighborhood meetings, and city-wide meetings. The document identifies top city-wide economic development assets, challenges, issues and goals.

### *2.1.3 METHODOLOGY*

The Economic and Market Analysis was formulated with the active engagement of the Jobs and Business Strategy Steering Committee and Long Beach community members through focus groups, key informational interviews, and a series of steps:

- Review of prior studies and plans for Long Beach.
- Eleven facilitated constituency focus groups and over 30 confidential stakeholder interviews with community and business leaders to gain an understanding of the community's vision, economic strengths and weaknesses, and economic development priorities.
- Collection and analysis of economic and demographic data for Long Beach to identify economic activities which are supported by the market and which will further strengthen the city's economy.

For a detailed description of the methodology, please see Appendix A.

### *2.1.4 REPORT ORGANIZATION*

This report is divided into six Chapters and two Appendices.

- Chapter I summarizes key findings.

- This Chapter introduces the goals, purpose, methodology, and structure of the report.

[1] The General Plan will guide all physical and infrastructure development in the City of Long Beach for the next twenty years.

- Chapter III: Regional Overview, briefly outlines the regional context, and provides an overview to the physical character of the city.
- Chapter IV: Long Beach Residents and Workers: Who are we?, introduces key demographic and labor force trends and conditions that inform the economic and market analyses.
- Chapter V: Business and Job Analysis, explores in detail the economic sectors of Long Beach's economy, including jobs, median wages, average firm size, trends, challenges, strengths and top employers by economic cluster.
- Chapter VI: Market Support for New Development, assesses real estate market conditions for a range of land uses including: office, industrial, institutional and retail. Chapter VI also summarizes potential economic development opportunity sites.

Appendix A details the methodology by report section. In most cases supporting tables can be found in the relevant chapter; however additional tables and analyses are attached as Appendix B.

# 3 REGIONAL OVERVIEW

This section provides a general description of some of the primary physical, demographic, and economic characteristics of Long Beach. This overview is intended to provide the backdrop for detailed demographic, economic and market analyses presented in the following chapters.

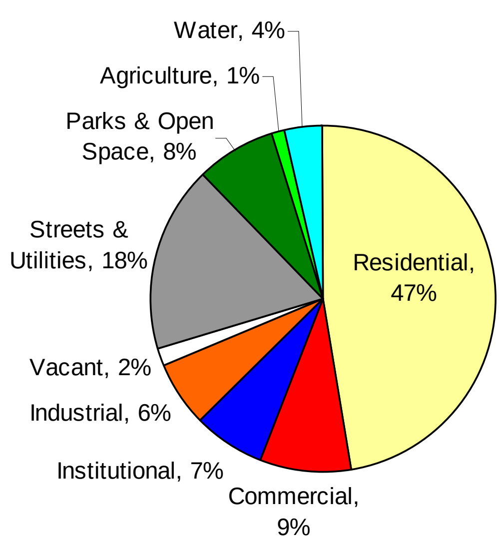
### *3.1.1 OVERVIEW*

Long Beach has approximately 475,000 residents, and serves both as a bedroom community to the regional Los Angeles economy and an employment center in its own right with 162,000 jobs in 2003. Long Beach retains something of a "blue collar" image, due largely to its history as an aerospace manufacturing, navy, and trade center. However, Long Beach is increasingly becoming more dependent on business services and the visitor-serving economy for job growth, while the manufacturing and trade sectors have declined in the past ten years.

With one of the most ethnically diverse populations in California, and residents from all walks of life and socio-economic classes, Long Beach retains a cohesive identity and a strong pride of place. The city's active and informed community is politically involved in both neighborhood-specific and community-wide issues.

From a physical standpoint, Long Beach is located along a stretch of the Southern California coastline in the heart of Los Angeles County. The city's marinas, beaches, parks and a revitalized downtown are key amenities to the overall quality of life. The city extends over 53 square miles (33,908 acres) and includes more than 50 distinctive neighborhoods and commercial areas. Long Beach has 172,000 housing units which occupy 47 percent of the city's land. Other land uses include commercial (9 percent), institutional (7 percent), industrial (6 percent), streets and utilities (18 percent), open space (8 percent), water (4 percent), and agriculture 1 percent (Figure 1). Long Beach is largely built out with only 473 acres (2 percent of total) of vacant land.

**Figure 1: Long Beach Land Use**




Source: Long Beach Advance Planning Bureau, 2004

Long Beach is bound by the Pacific Ocean on the South, the Terminal Island Freeway on the west, the Artesia freeway to the north and the 91 freeway to the East. The City is bisected by the 405 and Pacific Coast Highway (Route 1) and is served by the Long Beach Airport and the Port of Long Beach.

### 3.1.2 *LONG BEACH IS PART OF A REGIONAL ECONOMY*

Long Beach is part of a regional economy in which people freely live and work throughout the Los Angeles area. Most Long Beach residents do not work in Long Beach. As indicated in Table 1, only 34 percent of employed city residents work within Long Beach. By contrast, 49 percent of employed Long Beach residents work in other portions of Los Angeles County, and 17 percent work in some other California County.

**Table 1: Place of Work for Long Beach Residents, 1999**

| Place of Work | Residents | Percent |
|---|---|---|
| Inside Long Beach | 61,685 | 33.4% |
| In L.A. County | 91,064 | 49.4% |
| Other California County | 30,989 | 16.8% |
| Outside California | 741 | 0.4% |
| Total | 184,479 | 100% |

*Source: US Census, 2000; MJC, 2004*

Most people who work in Long Beach do not live in the City. In 1999, businesses within the city employed 165,649 people, however just 61,685, or 37 percent of these jobs, were held by Long Beach residents. The remaining 63 percent, or 103,864 jobs, were held by non-residents (from outside the city).

**Table 2: Long Beach Jobs Held by Residents and Non-Residents, 1999**

| | Jobs | Percent |
|---|---|---|
| Jobs held by Long Beach Residents | 61,685 | 37% |
| Jobs held by Non-Residents | 103,864 | 63% |
| Total Long Beach Jobs | 165,549 | 100% |

*Source: US Census, 2000; MJC, 2004*

**How does this compare with other cities?**

Long Beach is something of a hybrid city: acting both as a regional employment center and a bedroom community for the regional economy.

Large economic center cities such as Los Angeles, San Diego and San Jose have a high percentage of residents working within the city. In contrast smaller bedroom cities (such as Pomona and Lakewood) are part of larger metro areas and tend to have a very low percentage of residents working inside their city.

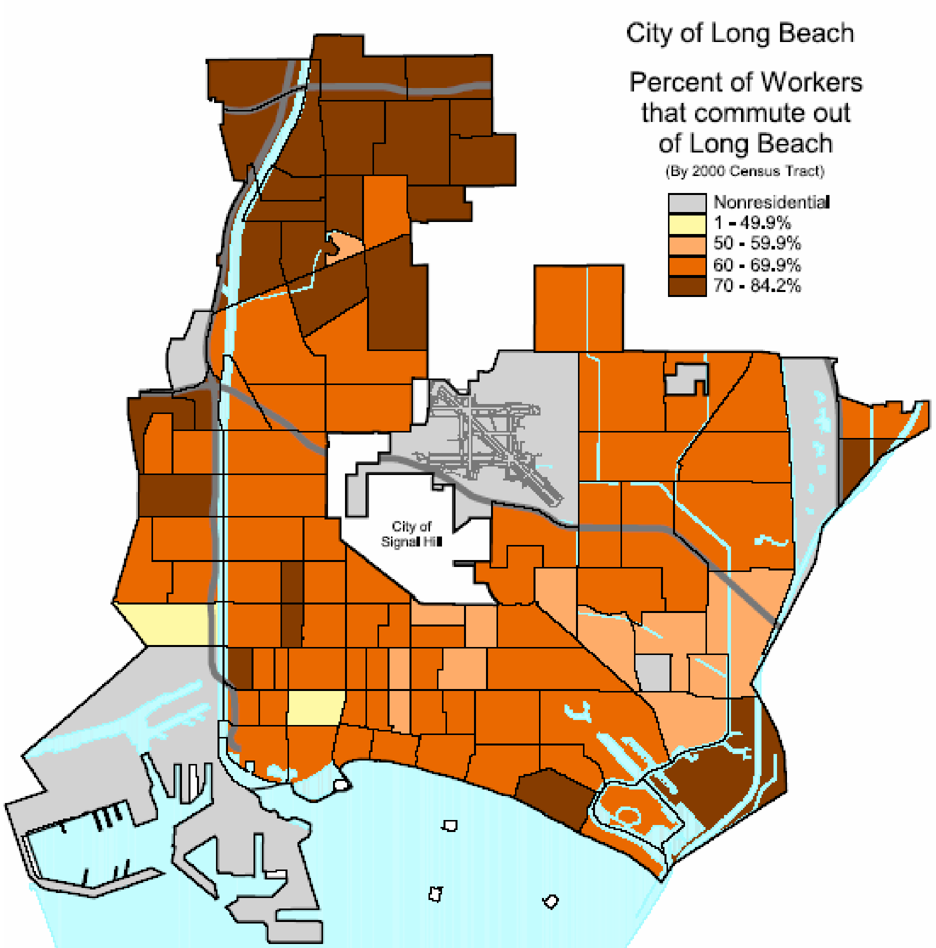
**Table 3: Commuting Data for Comparable Cities**

| City | Percent of Residents Working in City | Total Working Residents |
|---|---|---|
| **Economic Centers** | | |
| Los Angeles | 63% | 1,494,895 |
| San Diego | 78% | 580,318 |
| San Jose | 50% | 427,984 |
| **Hybrid Cities** | | |
| Long Beach | 33% | 184,479 |
| Torrance | 37% | 66,569 |
| Irvine | 39% | 72,870 |
| **Bedroom Cities** | | |
| Pomona | 21% | 52,066 |
| Lakewood | 10% | 36,392 |

*Source: Census 2000; MJC 2004*

As shown in Figure 2, working residents in North Long Beach are the most likely to work outside of Long Beach, probably because they are closest to the 710 and 91 freeways. Between 70 and 84 percent of North Long Beach residents leave the City for work. Working residents in Southeast Long Beach are the least likely to commute outside of the city for employment.

**Figure 2: Percent of Working Residents that Commute out of Long Beach, 1999**




Source: Census, 2000

Overall, more payroll is generated by jobs within the city ($7.9 billion per year), then is earned by city residents no matter where they work ($6.6 billion per year), indicating that city businesses offer better jobs overall than Long Beach residents secure.

3.1.2.1 Implications for Economic Development Strategy

- Most new businesses that move to Long Beach will hire a mix of residents and non-residents.
- New businesses with jobs that match the skills and education level of Long Beach residents will hire more Long Beach residents.
- Many Long Beach residents will continue to work outside of the City, and will need training and education to obtain quality jobs.

# 4 LONG BEACH RESIDENTS AND WORKERS: WHO ARE WE?

## 4.1 Long Beach Residents

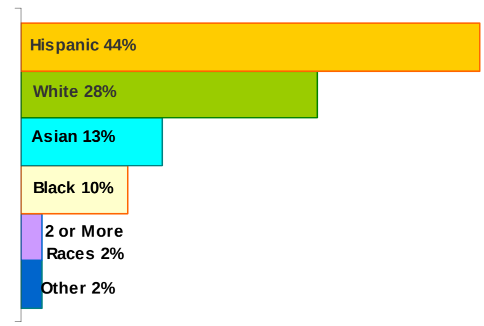
A closer look at the characteristics of Long Beach residents can help inform the economic development strategy. This section looks at ethnicity, income, education, poverty, and other key indicators.

### *4.1.1 POPULATION TRENDS AND ETHNICITY*

Long Beach is the fifth largest city in California. With 475,460 residents in 2003, the Long Beach population has increased by 11 percent since 1990. By comparison, the State's population increased by 19 percent.

Long credited as one of the most ethnically diverse communities in California, Long Beach has become even more diverse over the past 15 years, largely due to rapid growth of the Hispanic population. For example, between 1990 and 2003, the Hispanic population rose from 23 percent to 44 percent, while White residents dropped from 39 to 28 percent. Black residents declined from 14 to 10 percent, while the Asian population grew from 12 to 13 percent.

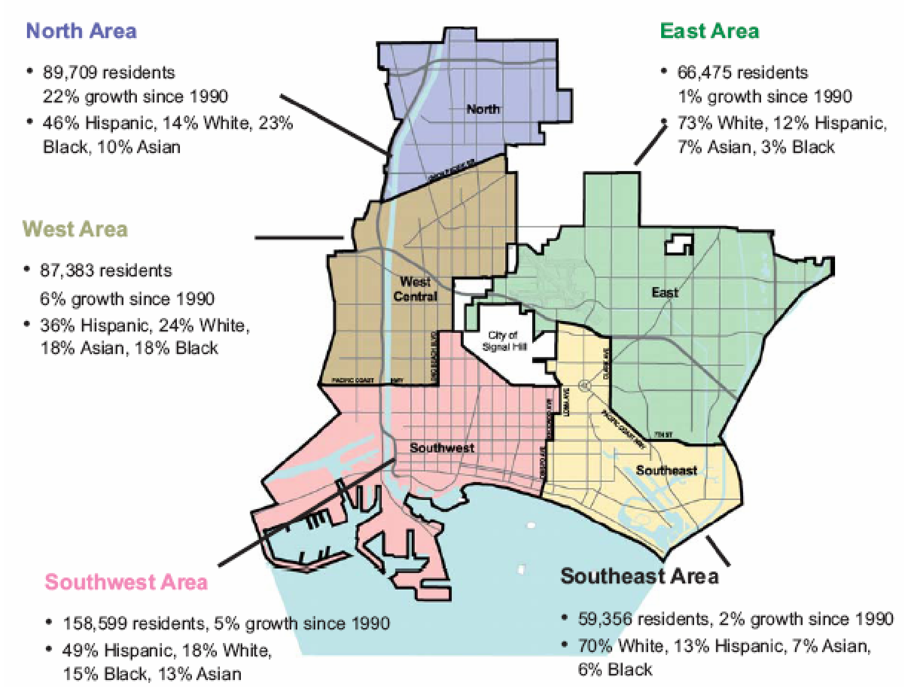
**Figure 3: Ethnicity, 2003**




Source: Census, 2003

While Long Beach is very ethnically diverse, some areas of the City have higher concentrations of certain ethnic groups. For example, the North area of the City has the highest concentration of Black residents, the Southwest area has a fairly large concentration of Hispanic residents, and the East and Southeast areas have large concentrations of White residents. (Please see Figure 4 for additional detail)

**Figure 4: Population, Growth and Race by Area, Long Beach 1999**




Source: Census, 2000

4.1.1.1 Implications for Economic Development Strategy

- Long Beach's ethnic diversity should provide a competitive advantage for trade and business growth opportunities in Pacific Rim countries and Latin America.
- Language barriers and culturally specific business practices (such as producing and selling products to specific ethnic groups or participating in economic enclaves of ethnic groups) are part of the Long Beach economy, and economic development should emphasize outreach to Hispanic, Asian and Black business owners.

### 4.1.2 EDUCATION

Education is one of the strongest predictors of earning power. However, in 2000, 27 percent of Long Beach adults had less than a high school diploma and only 24 percent had a bachelors degree or higher. As shown in Table 4, education performance is particularly low in North and Southwest Long Beach, with 39 and 42 percent of adults without a high-school diploma respectively.

**Table 4: Educational Attainment for adults 25 and over, Long Beach, 2000**

| | California | Long Beach | North Area | West Central | South West | East | South East |
|---|---|---|---|---|---|---|---|
| No High School Diploma | 23% | 27% | 39% | 27% | 42% | 7% | 7% |
| High School Graduate | 20% | 19% | 23% | 21% | 18% | 18% | 13% |
| Some College, No Degree | 23% | 23% | 24% | 24% | 19% | 27% | 24% |
| Associates Degree | 7% | 7% | 6% | 7% | 5% | 10% | 9% |
| Bachelors, Graduate, Professional Degree | 27% | 24% | 9% | 21% | 15% | 37% | 48% |
| Total Population 25+ Years | 21,298,900 | 277,410 | 47,458 | 52,795 | 86,658 | 45,923 | 44,576 |

*Source: Census, 2000*

Between 2000 and 2003 the educational attainment of residents living in Long Beach increased, perhaps because high housing costs are displacing lower-income and lower-education residents. Whatever the cause, the proportion of Long Beach residents with a bachelor's degree or higher increased from 24 to 26 percent.

People with lower levels of educational attainment often have lower incomes, and are more likely to live in poverty. As shown in Table 5, the poverty rate increases as education falls, thus in Long Beach 35.7 percent of families in which no parents has a high school degree are poor, while only 4 percent of households with a parent with a Bachelors Degree are poor.

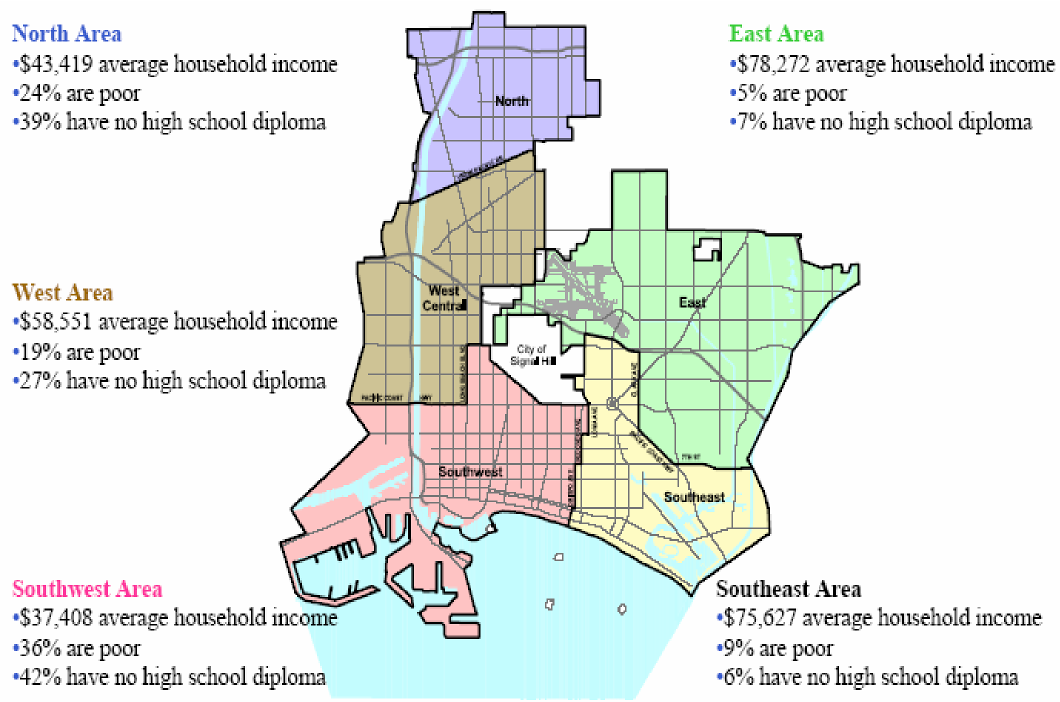
**Table 5: Poverty Rate of Families, by Education of Householder, 1999**

| | Percent in Poverty | |
|---|---|---|
| | Long Beach | California |
| High school Dropout | 35.7% | 23.8% |
| High school Graduate/GED | 22.0% | 11.9% |
| 1-4 years of college, no bachelor's degree | 11.5% | 6.8% |
| Bachelors Degree or higher | 4.0% | 2.8% |
| All Households | 19.3% | 10.6% |

*Source: Census, 2000*

People with lower levels of educational have lower incomes, and are more likely to live in affordable areas. As indicated previously in Table 4, the Southwest and North areas of Long Beach have a very high proportion of adults without a high school diploma. Forty-two percent of adults in the Southwest and 39 percent of adults in North Long Beach do not have a high school diploma. These areas also have the highest poverty rates in the City. By contrast, the Eastside and Southeast areas of Long Beach have the highest proportion of adults with a college degree and higher incomes overall.

**Figure 5: Income, Poverty and Education by Area, Long Beach 2000**




Source: Census, 2000

4.1.2.1 Long Beach Youth and Education

Long Beach has a sizable youth population. In 2000, 108,000 school-age children lived in Long Beach. Indeed, fully 29 percent of the population was under 17 years of age. In 2000, six percent of residents were enrolled in high school, and 18 percent were enrolled in nursery school, preschool, kindergarten, or grade school.

Today's youth are tomorrow's workers. A relatively high proportion, 21 percent, of Long Beach youth (age 16-24) were high school dropouts in 2000, however, some ethnic groups have much higher dropout rates. As shown in Table 6, 36 percent of Hispanic youths were high school dropouts, while only 7 percent of White youth dropped out of school.

**Table 6: Percent of 16-24 Year Olds who were High School Dropouts in 1999**

| | Long Beach | Los Angeles | California |
|---|---|---|---|
| All Youth | 21% | 24% | 17% |
| White Youth | 7% | 6% | 7% |
| Non-Hispanic Black Youth | 14% | 16% | 13% |
| Hispanic Youth | 36% | 36% | 30% |
| Males | 24% | 27% | 19% |
| Females | 18% | 21% | 14% |

*Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002*

The proportion of Hispanic and Black youth (16-24 year olds) who are both unemployed and not in school is also relatively high. One fourth of Black and Hispanic youth are both unemployed and not in school.

**Table 7: Percent of 16-24 Year Olds, Not in School and Not Employed, 1999**

| | Long Beach | Los Angeles | California |
|---|---|---|---|
| All Youth | 19% | 20% | 16% |
| White Youth | 8% | 10% | 10% |
| Non-Hispanic Black Youth | 24% | 22% | 20% |
| Hispanic Youth | 27% | 25% | 22% |
| Males | 18% | 17% | 13% |
| Females | 21% | 22% | 18% |

*Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002*

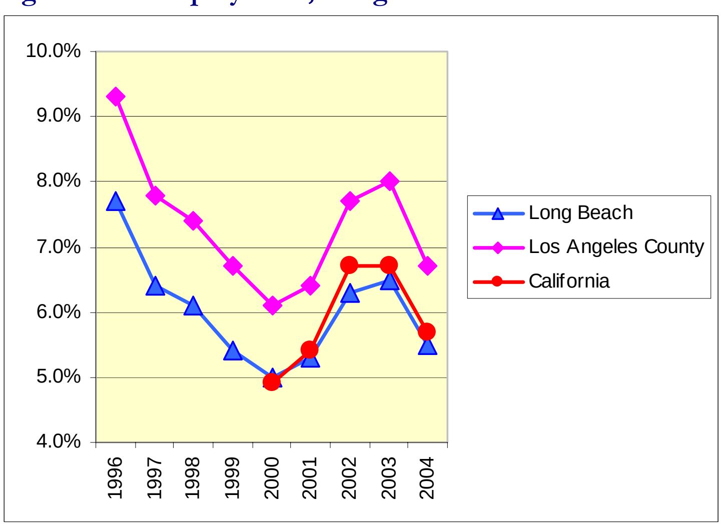
4.1.2.2 Implications for Jobs and Business Strategy

- The creation and attraction of new entry-level positions for residents without high-school diplomas will be critical to the future success of this rapidly growing segment of Long Beach's residents.
- Growth of economic sectors that offer opportunities for advancement, through on-the-job and vocational education, are key to meeting the needs of Long Beach's disadvantaged youth.
- The high-school graduation rate of minority students, especially Hispanic and Black youth, must be improved to reduce long-term poverty rates in Long Beach.
- School-to-career programs, which emphasize vocational training, are key to student retention and ultimate success in the workforce.
- Programs that support work placement and internships for Long Beach youth should improve long-term youth employability and reduce unemployment and drop-out rates.

4.1.2.3 Unemployment of Long Beach Residents

The official unemployment rate for Long Beach residents mirrors State trends in unemployment and is consistently lower than unemployment in Los Angeles County (see Figure 6). However, a larger proportion of Long Beach residents are long-term discouraged workers, who are no longer looking for employment, and these individuals are not counted in official statistics.

**Figure 6: Unemployment, Long Beach 1996-2004**




Source: BLS, 2004

### 4.1.3 *LONG BEACH RESIDENTS' EMPLOYMENT SECTORS*

Long Beach residents work in a variety of industries and economic clusters both within and outside of Long Beach. Table 8 describes the workplace sectors of Long Beach residents; it does not describe the actual jobs in the City of Long Beach. Long Beach **job data** will be explored later in **Chapter 5.** Long Beach residents are more likely to work within the education, health, social services, technology/manufacturing, and trade than residents of Los Angeles County, indicating a slight specialization of Long Beach residents in these industries.

**Table 8: Long Beach and L.A. County, Working Residents by Industry Cluster, 2000**

| | Long Beach | | Los Angeles | |
|---|---|---|---|---|
| | Number | Percent | Number | Percent |
| Education, Health and Social Services | 39,982 | 21% | 265,613 | 17% |
| Manufacturing | 27,248 | 14% | 202,277 | 13% |
| Trade, Transportation, Warehousing | 21,253 | 11% | 121,858 | 8% |
| Professional & Business services | 20,240 | 11% | 197,876 | 13% |
| Retail Trade | 19,445 | 10% | 158,118 | 10% |
| Tourism, Arts & Leisure | 16,272 | 9% | 147,462 | 10% |
| Finance, Insurance, Real Estate | 11,246 | 6% | 108,032 | 7% |
| Other services | 10,192 | 5% | 105,037 | 7% |
| Construction | 9,627 | 5% | 81,032 | 5% |
| Total Employment | 189,487 | 100% | 1,532,074 | 100% |

Source: Census, 2000; MJC, 2004

### 4.1.4 *OCCUPATIONS OF LONG BEACH RESIDENTS*

Long Beach residents are engaged in similar occupations to Los Angeles County residents as indicated in Table 9. Long Beach residents are slightly more likely to work in transportation and moving materials occupations and slightly less likely to work on professional and sales related occupations.

**Table 9: Occupations of Long Beach and LA County Residents, 2000**

| | Long Beach | | Los Angeles County | |
|---|---|---|---|---|
| | Residents | % | Residents | % |
| 1) Professional and related occupations | 39,573 | 21% | 331,087 | 22% |
| 2) Office and administrative support occupations | 30,710 | 16% | 234,544 | 15% |
| 3) Management, business, and financial operations occupations | 25,487 | 13% | 193,353 | 13% |
| 4) Sales and related occupations | 20,806 | 11% | 175,152 | 11% |
| 5) Production occupations | 15,057 | 8% | 150,806 | 10% |
| 6) Transportation and material moving occupations | 12,910 | 7% | 81,562 | 5% |
| 7) Food preparation and serving related occupations | 9,366 | 5% | 72,940 | 5% |
| 8) Construction and extraction occupations | 7,820 | 4% | 71,710 | 5% |
| 9) Installation, maintenance, and repair occupations | 6,829 | 4% | 45,851 | 3% |
| 10) Building and grounds cleaning and maintenance occupations | 6,662 | 4% | 74,319 | 5% |
| Total | 189,487 | 100% | 1,532,074 | 100% |

*Source: Census, 2000; MJC 2004*

#### 4.1.4.1 Implications for Jobs and Business Strategy

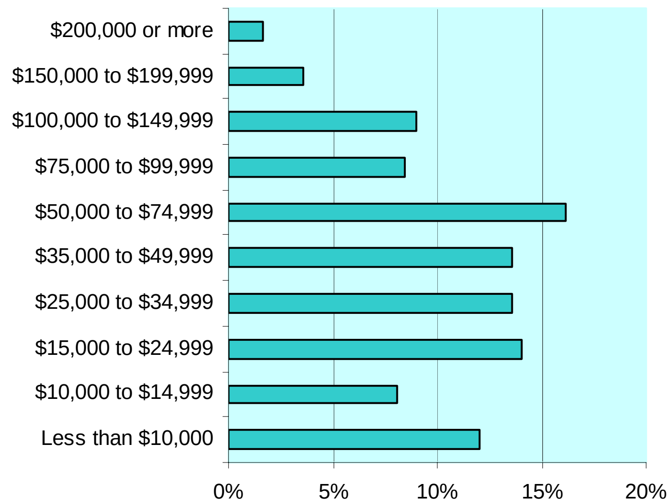
- Long Beach may have a slight competitive advantage for attracting and retaining firms in education, health, manufacturing and trade as Long Beach's residential workforce is well matched to these sectors.
- Long Beach has a robust distribution of occupations among residents, one that mirrors that of Los Angeles County and is well positioned to compete with Los Angeles for a wide array of businesses.

### 4.1.5 RESIDENT INCOME

Over the past ten years, average household purchasing power has remained flat in Long Beach. Real median household income has remained virtually constant at $54,104 per household (in 2003 constant dollars), while it has risen nationwide by about $5,000 per household.

- In 2003, 19,786 households or (12 percent) of household earned less than $10,000.
- Fully 48 percent of households earned less than $35,000 per year. By comparison only 40 percent of California households earned less than $35,000 per year in 2003.
- In 2003, 14 percent of households earned more than $100,000, up from 6 percent in 1990.
- In 2003, for every household that made over $100,000, there were 3.4 households that made under $35,000.

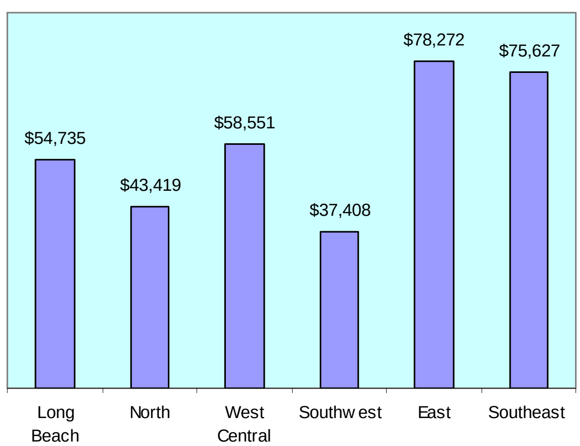
**Figure 7: Long Beach Household Income Distribution, 2003**




*Source: Census, 2003*

Median family income varies from one area of the city to another, with higher incomes in the east and southeast, and lower incomes in the southwest and north, as shown in Figure 8.

**Figure 8: Median Family Income by Area, Long Beach 2000**




Source: Census, 2000

#### 4.1.5.1 Poverty

A recent report by the U.S Census[2] found that the proportion of people living in poverty grew from 16.2 percent in 1990 to 24.1 percent in 2003. By comparison, just 13.4 percent of all Californians live in poverty. In Long Beach poverty is highest among Hispanic, Black, and Native populations (see Table 10). Hispanic residents are the fastest growing segment of the Long Beach population. Much of the growth in poverty can be attributed to a significant growth in the number of Hispanic children living in poverty. Indeed, fully half of all the poor are children. (A family of four with an income of less than $18,810 is considered poor.)

In 2000, half of poor householders were working, while 21 percent were unemployed. By comparison, 74 percent of non-poor householders were working while only three percent were unemployed.

**Table 10: Long Beach Poverty by Race, 2000**

| | Number | Percent |
|---|---|---|
| White | 29,538 | 15% |
| Black | 20,296 | 30% |
| American Indian/ Alaska Native | 1,019 | 28% |
| Asian | 13,730 | 25% |
| Native Hawaiian/Other Pacific Islander | 1,918 | 38% |
| Other Race* | 30,660 | 33% |
| 2 or more races | 6,273 | 25% |
| Hispanic Or Latino** | 50,080 | 31% |

Source: Census, 2000

* Most other race individuals are Hispanic (the census does not provide a category for brown skin people).

** Hispanics can be any race, so the total does not equal 100%

Source: Census, 2000

Poverty is more prevalent in some areas of the City than others: The Southwest, North and West Central areas have relatively high concentrations of poverty and higher rates of poverty among children than the East and Southeast side of town (see Table 11). These areas are also more ethnically diverse and have lower levels of education attainment.

**Table 11: Percent of People Living in Poverty 1999**

| | Long Beach | North | West Central | South west | East | South east |
|---|---|---|---|---|---|---|
| Individuals | 22% | 24.1% | 18.9% | 35.8% | 4.7% | 9.0% |
| Children Under 18 | 32% | 30.9% | 27.2% | 47.5% | 4.9% | 7.8% |

*Source: Census, 2000*

#### 4.1.5.2 Implications for Jobs and Business Strategy

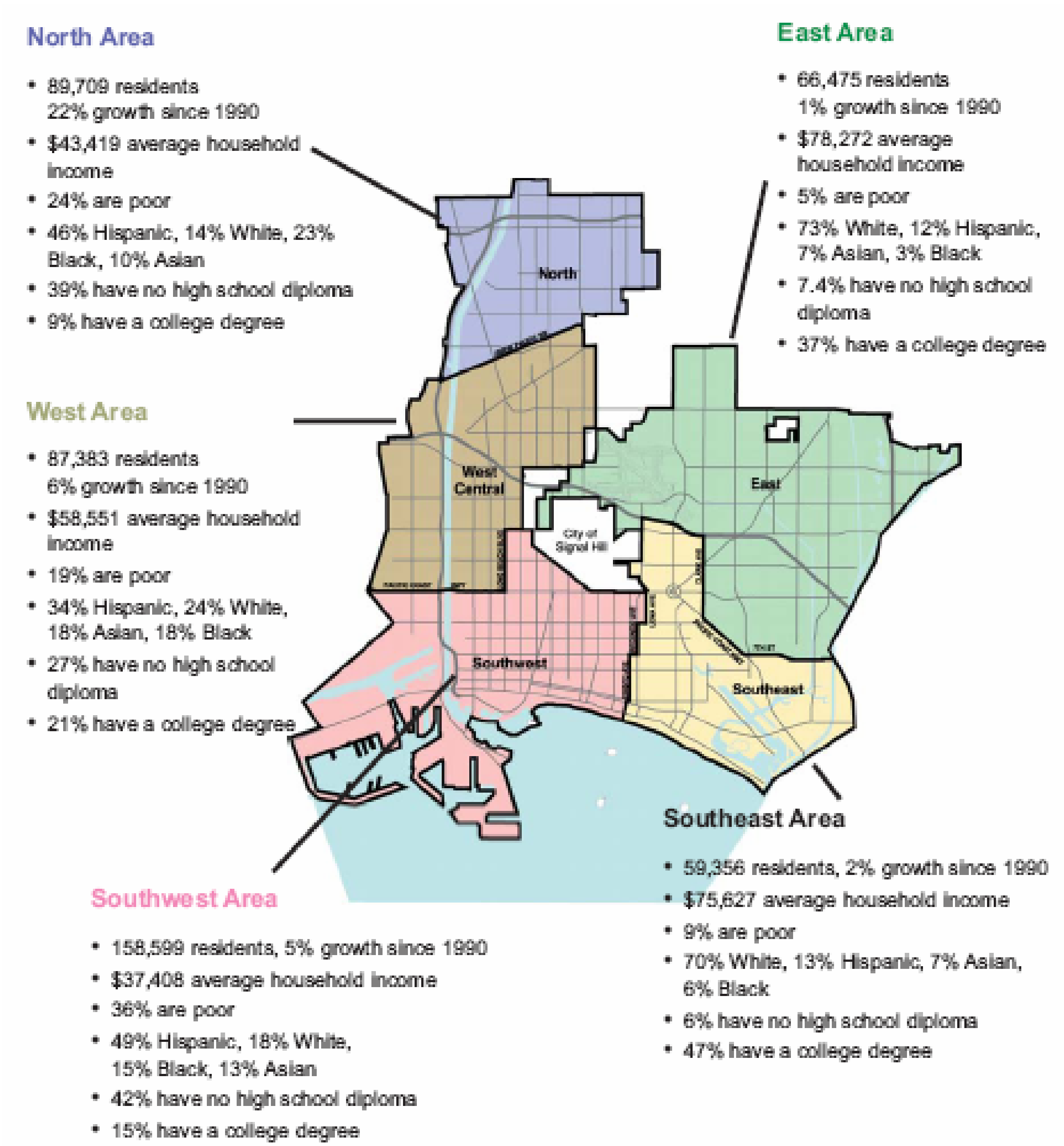
- A disappearing middle class has important implications for City governance and the city's economy.
- The growth of a large poor Hispanic population, which has in the past tended to be somewhat culturally isolated from both the politics and the economy of the City, will at some point change the City's political and economic landscape.
- Poverty is a pressing concern for a high proportion of Long Beach children.

[2] Income Poverty and Health Insurance Coverage in the United States, U.S. Census, 2003

### *4.1.6 Resident Summary*

Race, education, income and poverty are all interconnecting factors in both individual, family and neighborhood experiences in Long Beach. As shown in Figure 9 below, Southwest Long Beach is more diverse, has lower education attainment, lower incomes and higher poverty rates than other areas of the city. Conversely, Southeast Long Beach has the highest education attainment, higher incomes, lower poverty and less diversity than other areas of the City.

**Figure 9: Income, Poverty, Race and Education by Area, Long Beach CA**



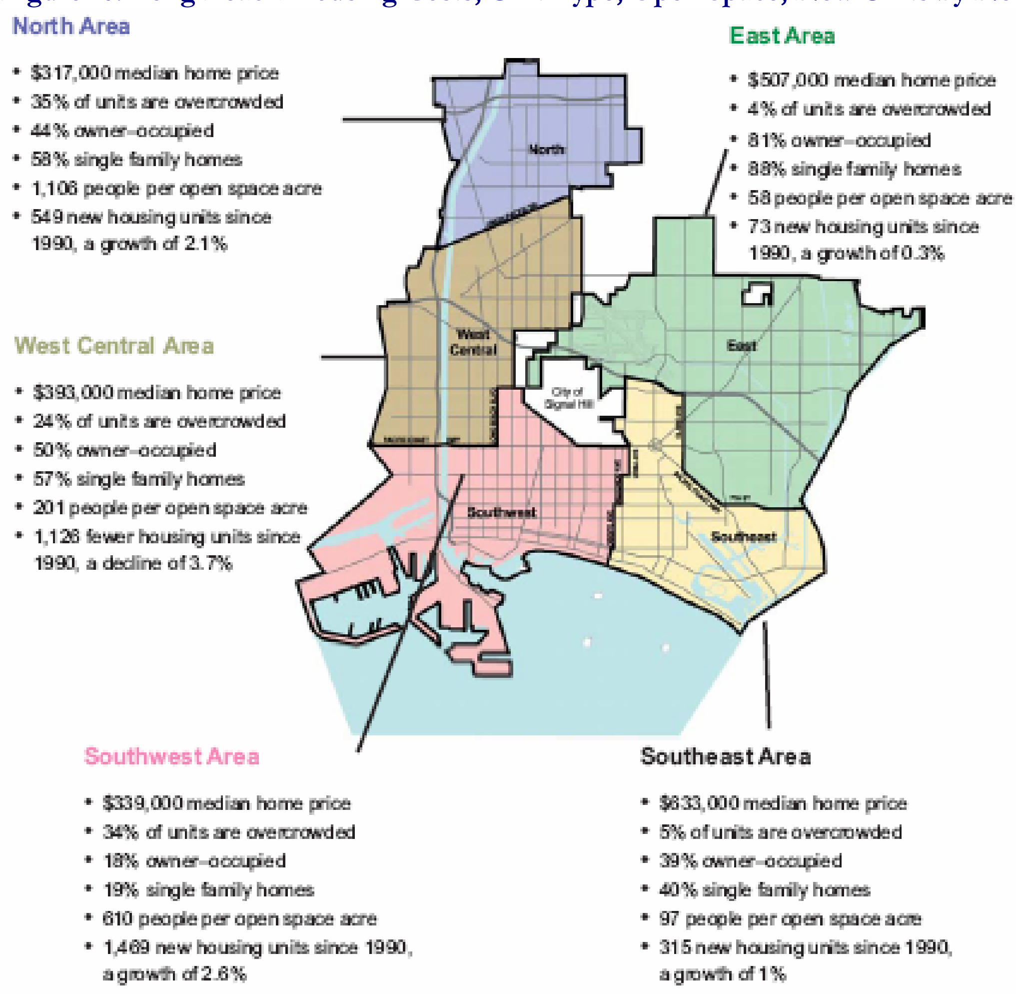

Source: Census, 2000

## 4.2 Long Beach Housing Trends

Housing is important to economic development activities because housing costs can significantly impact the cost of living in a community, and therefore the attractiveness of that community to employers and workers. High housing costs can reduce the competitive advantage of a community for certain types of employers, particularly those for whom labor costs are of significant concern. Likewise, rapidly increasing housing costs can result in the out-migration of lower-income residents and/or overcrowding of housing as lower-income families share housing. Like all California cities, Long Beach has recently experienced a rapid increase in housing costs.

- The median price for a single family home in Long Beach jumped to $453,000 in December 2004, an increase of 37 percent from June 2003. By comparison, the median price paid for a Southern California home was up 26 percent to $406,000 during the same period.
- The median price for a condominium in Long Beach was $296,000 in December 2004, an increase of 21 percent over 2003 prices.
- Only 12 percent of Long Beach households can afford a median priced home, and only 31 percent can afford a median priced condo.

**Figure 10: Long Beach Housing Costs, Unit Type, Open Space, New Units by Neighborhood, 2004**




Source: Census, 2000, Data Quick 2005

Rents are also up, increasing by a dramatic 116 percent from $532 in 1999 to $1,150 in 2002. Forty-seven percent of households cannot "afford" a median priced rental unit. The benchmark of affordability is if a family spends less than 30 percent of their income on rent. Thus many Long Beach families must spend more than 30 percent of their income on rent.

Long Beach housing costs have caught up to housing costs in surrounding communities (see Table 12).

**Table 12: Median Price Homes & Condos, December 2004**

| Community | Single Family Homes | Condos |
|---|---|---|
| Bellflower | $ 410,000 | $ 300,000 |
| Carson | $ 418,772 | $ 342,444 |
| Lakewood | $ 432,514 | $ 285,000 |
| Long Beach | $ 453,411 | $ 296,730 |
| Compton | $ 272,791 | $ 180,000 |
| Huntington Beach | $ 634,350 | $ 475,305 |
| Seal Beach | $ 733,000 | $ 340,000 |
| Signal Hill | $ 640,000 | $ 333,000 |

*Source: Dataquick, 2005*

#### 4.2.1.1 Housing Development Trends

Long Beach has 172,000 housing units. Single family homes make up 46 percent while apartments and town-homes comprise 52 percent of all units.[3] Between 1990 and 2002, 4,711 total new housing units were added to Long Beach, an increase of 2.7 percent, far below the 10.7 percent increase in total population. Major new developments (proposed, under construction and/or recently completed) include:

- *Park at Harbor View*, a $250 million multi-phase, mixed-use development of 538 apartments, 246 condominiums, a 500-room hotel, office, and retail space.
- *Ocean Villas*, a $100 million luxury high-rise residential development at 350 East Ocean Boulevard, will consist of 17-story twin towers containing 556 condominium units, and is nearly completed.
- *City Place* offers 350 units of market rate housing for rent and for sale.
- The proposed *West Gateway* mixed-use development will feature ground-level neighborhood-serving retail and 800 to 1,000 residential units on a seven block area.
- *The Grisham Project,* a North Long Beach rehabilitation project of 96 units.
- *Renaissance Walk,* this Southwest project is comprised of 40 affordable single-family homes.
- *Douglas Park,* a mixed-use project, recently approved by City Council, will include over 1,000 market rate single family homes, condos, townhouses and 400 apartment and senior units.

#### 4.2.1.2 Implications for Economic Development

- Rising housing costs will change the demographic characteristics of Long Beach over the long term by displacing lower-income people and families. However, gentrification tends to take some time as low-income residents struggle to remain in the community.
- Rising housing costs will impact some economic sectors. For example, high housing costs may negatively impact economic sectors which pay low-wages, such as tourism and administrative services, and these are Long Beach's fastest growing business sectors. Likewise in very tight job markets, such as that of health workers, high housing costs make it ever more difficult for firms to attract highly-skilled employees with many employment and location options.

[3] Mobile homes, trailers, boats and RVs make up the remaining two percent.

# 5 BUSINESS AND JOBS ANALYSIS

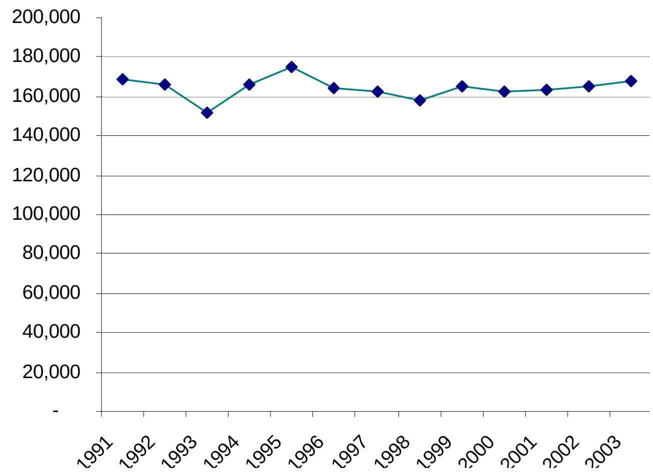
## 5.1 Overview

#### 5.1.1.1 Job Growth and Change

Total employment in Long Beach has oscillated around 164,000 jobs over the past 13 years, with a high of 175,000 in 1995 and a low of 152,000 jobs during the 1992-93 recession. Historic employment trends for Long Beach are outlined in Figure 11. In 2003, the city's businesses employed 162,093 people, with another 16,000 self-employed residents.

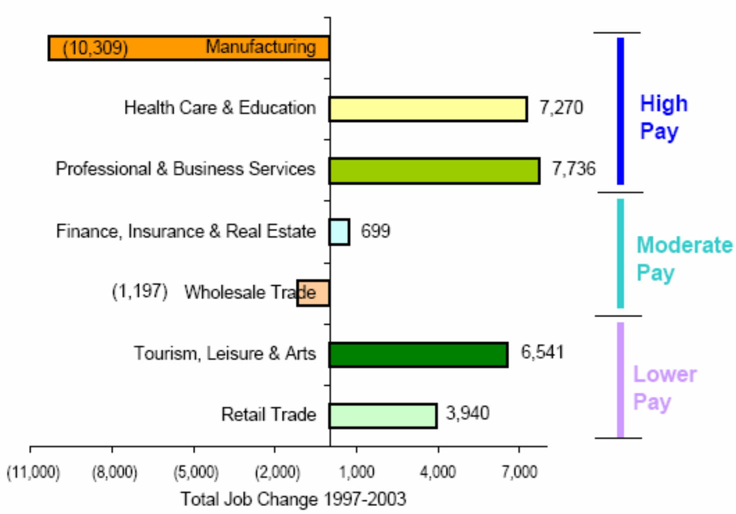
However, overall numbers obscure rapid declines and increases in particular economic sectors. For example, between 1997 and 2003, the city lost 10,319 high-paying manufacturing jobs and 1,206 wholesale trade jobs. During this same period Long Beach gained 6,541 low-paying tourism and 3,940 retail jobs, and 7,270 high-pay health care job. Absent manufacturing job losses, Long Beach's total employment would have grown significantly (Figure 12).

**Figure 11: Long Beach Employment, 1991-2003**




Source: EDD. 2004

**Figure 12: Job Change, 1997-2003 selected sectors**




Source: EDD, 2004

Annual employment numbers obscure job and firm turnover within the economy. For example in 2003, the economy added 535 firms, which employed 2,742 people. Also in 2003, the economy lost 613 firms (to relocation or closure) employing 2,813 people. Like all economies, Long Beach is always undergoing some business change.

**Table 13: Business Churning, Long Beach 2003**

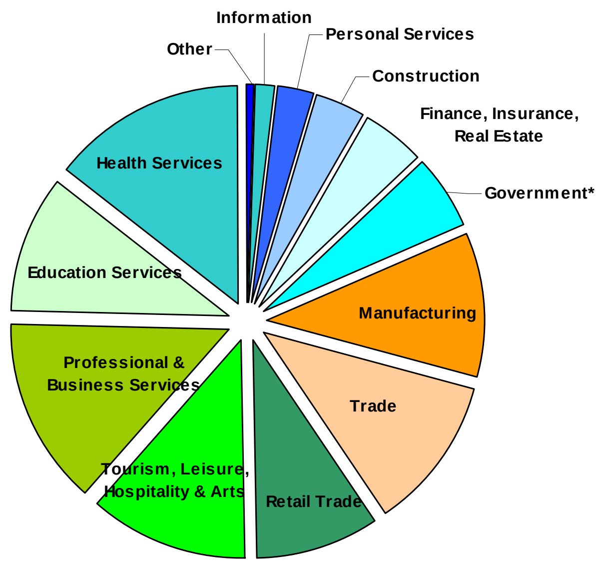
| | Total Jobs | Total Firms |
|---|---|---|
| **New Businesses to Long Beach, 2003** | | |
| First Quarter | 1327 | 188 |
| Second Quarter | 747 | 161 |
| Third Quarter | 668 | 186 |
| Fourth Quarter | 954 | 229 |
| *Total New Businesses, 2003* | **2,742** | **535** |
| **Businesses Leaving Long Beach, 2003** | | |
| First Quarter | 543 | 138 |
| Second Quarter | 923 | 180 |
| Third Quarter | 702 | 168 |
| Fourth Quarter | 645 | 128 |
| *Total Business Leaving, 2003* | **2,813** | **613** |

*Source: EDD, 2004; MJC 2005*

5.1.1.2 Economic Sectors

Past economic development efforts have focused on the Tourism, Trade, and Retail which together employ 32 percent of the Long Beach workforce or 57,670 workers. These sectors remain key to the economy. However, Education and Health Services, and Professional and Business Services now employ 37 percent of Long Beach's workforce (62,451 jobs) and are growing quickly. A smaller proportion of jobs are in Government, Construction, "High-Tech," Finance Insurance and Real Estate, Personal Services, and Information.

**Figure 13: Jobs by Sector, Long Beach 2003**

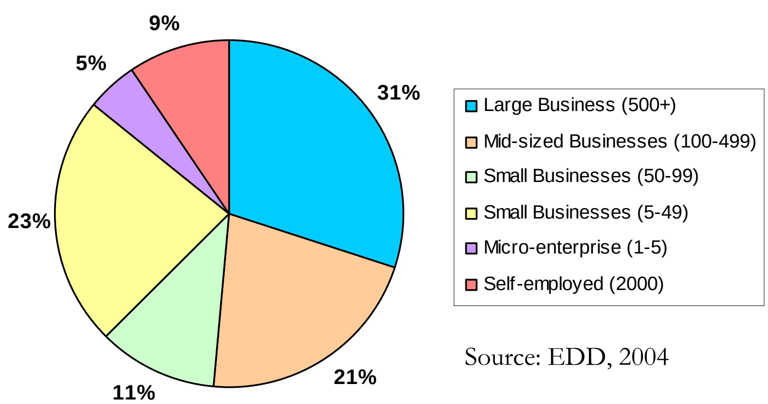



Source: EDD. 2004

*Business Size and Top Employers*

Large and medium-sized firms employ 52 percent of workers in Long Beach; 39 percent of all jobs are found in small businesses and micro-enterprises; and nine percent are self-employed.

**Figure 14: Proportion of Jobs by Firm Size, 2003**




Source: EDD, 2004

**Table 14: Jobs and Payroll by Firm Size, Long Beach 2003**

| | Total Jobs | Total Firms | Average Payroll/Job |
|---|---|---|---|
| ***All Jobs (2003)*** | ***162,097*** | ***7,199*** | ***$ 39,884*** |
| Large Business (500+) | 53,801 | 28 | $ 46,794 |
| Mid-sized Businesses (100-499) | 38,161 | 196 | $ 37,257 |
| Small Businesses (50-99) | 19,668 | 288 | $ 37,119 |
| Small Businesses (5-49) | 41,719 | 2,661 | $ 35,657 |
| Micro-enterprise (1-5) | 8,749 | 4,026 | $ 35,223 |
| ***Self-employed (2000)*** | ***17,432*** | *NA* | *$ 28,118* |
| **Total** | **179,529** | | |

*Source: EDD, 2004; Census, 2000*

However, Long Beach's largest employers include just 28 firms that employ 53,801 people with an average salary of $46,794. By comparison 2,661 small firms provide 41,719 jobs at an average salary of $35,657 (see Table 14).

## 5.2 Emerging Sectors

This section explores economic sectors that evidence consistent strong job growth and that are concentrated within Long Beach. Health, Education, Professional and Business Services, Retail Trade, and Tourism all meet these criteria. The emergence of these sectors illustrates Long Beach's transition from a manufacturing and trade based economy to one based on services. Though Long Beach held on to its manufacturing base longer than most communities, this same transition has been underway for many years throughout the U.S and in virtually every city.

### *5.2.1 HEALTH SERVICES*

5.2.1.1 Overview

Long Beach has long been a center for health care. In 2003, 14 percent of jobs were in Health Services with total employment of 23,413 people (see Table 15). To gain a deeper understanding of what these numbers signify, it is useful to identify if Long Beach has more than its proportional share of jobs in health serves relative to California as a whole. With 14.4 percent of all Long Beach jobs in Health Services and only 7.5 percent of all California jobs in Health Services, Long Beach has two times as many health services jobs as would be expected if it had the same composition as California. This relative concentration of jobs is known as the Location Quotient and is used by economists to quantify the degree of economic specialization.[4] Thus Long Beach is specialized in health services relative to California and, as shown in Table 15, Long Beach has particularly strong concentrations in hospitals and nursing care facilities relative to California.

**Table 15: Health Care Jobs, Long Beach 2003**

| | Long Beach | | | | | | Location Quotients, comparing Long Beach to: | |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | | Payroll/ Employee | Jobs/ Firm | % of All Jobs | LA-Long Beach MSA | California |
| **Health Care and Social Assistance** | **1010** | **23,412** | **$** | **45,434** | **23** | **14.4%** | **1.8** | **1.9** |
| Ambulatory Health Care Services | 755 | 7,704 | $ | 56,095 | 10 | 4.8% | 1.5 | 1.6 |
| Offices of Physicians | 398 | 3,421 | $ | 84,264 | 9 | 2.1% | 1.5 | 1.7 |
| Offices of Dentists | 169 | 1,027 | $ | 39,887 | 6 | 0.6% | 1.1 | 1.0 |
| Offices of Other Health Practitioners | 122 | 697 | $ | 29,880 | 6 | 0.4% | 1.4 | 1.3 |
| Outpatient Care Centers | 30 | 795 | $ | 46,314 | 27 | 0.5% | 1.6 | 1.9 |
| Residual-Other Ambulatory Health Care Services | 36 | 1,764 | $ | 25,669 | 49 | 1.1% | 1.9 | 2.3 |
| Hospitals | 9 | 10,022 | $ | 49,537 | 1114 | 6.2% | 2.8 | 2.9 |
| Nursing and Residential Care Facilities | 65 | 3,139 | $ | 23,940 | 48 | 1.9% | 1.4 | 1.4 |
| Nursing Care Facilities | 26 | 1,911 | $ | 23,726 | 74 | 1.2% | 1.7 | 2.0 |
| Residential Mental Retardation, Mental and Subst | 16 | 692 | $ | 29,000 | 43 | 0.4% | 1.1 | 1.3 |
| Residual-Other Residential Care Facilities | 23 | 536 | $ | 18,172 | 23 | 0.3% | 1.0 | 2.7 |
| Social Assistance | 181 | 2,547 | $ | 23,530 | 14 | 1.6% | 1.5 | 1.4 |
| Individual and Family Services | 43 | 762 | $ | 22,737 | 18 | 0.5% | 1.1 | 1.1 |
| Vocational Rehabilitation Services | 13 | 553 | $ | 22,215 | 43 | 0.3% | 2.0 | 1.6 |
| Child Day Care Services | 114 | 863 | $ | 21,225 | 8 | 0.5% | 1.4 | 1.4 |
| Community Food & Housing, & Emergency & Othe | 11 | 369 | $ | 32,528 | 34 | 0.2% | 2.5 | 2.8 |

Source: EDD, 2005

The average wage in healthcare is a robust $45,434, though wages range from a low of $18,172 in residential care facilities to $84,264 among dentist offices.

[4] The Location Quotient measures a city's relative concentration in an economic sector in comparison to a larger reference economy such as California. The Location Quotient (LQ) equals the percent of jobs in an economic sector in City of Long Beach divided by the percent of those jobs in the State of California. A LQ of more than one means that the City of Long Beach has specialized in that sector of the economy and is a net exporter of those services or products to the wider world. A LQ of less than one means that Long Beach is a net importer of the goods and services of the sector and has not specialized in that sector.

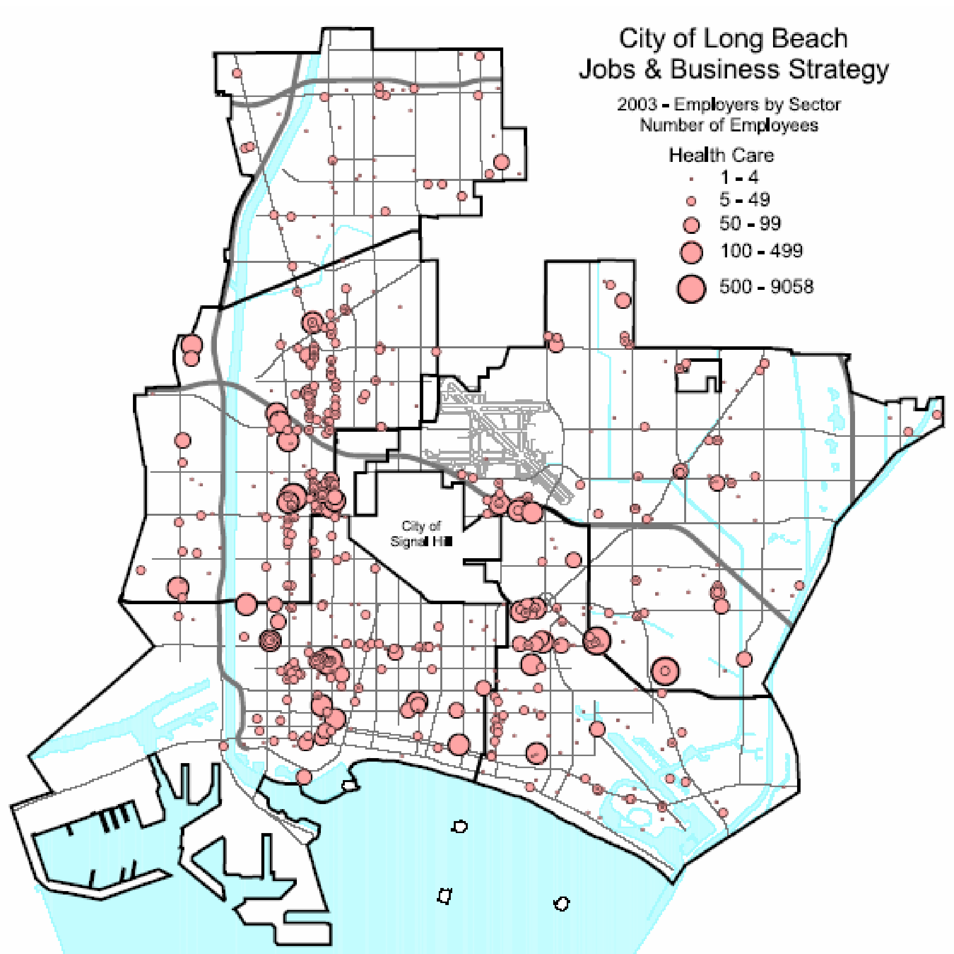
5.2.1.2 Trends

Overall, the Health Care Cluster has grown by 45 percent, or 7,270 jobs, since 1997 when the sector employed 16,142 workers. The fastest growing sub-sectors of this cluster are outpatient care (+81 percent job growth), residential care facilities (+174 percent), and childcare facilities (+392 percent).

Top health care employers include: Long Beach Memorial Medical Center (4,600 employees), the Veterans Administration Medical Center (2,300 employees), St Marys Medical Center (1,800 employees), Community Hospital (350 employees), and Pacific Hospital of Long Beach (800 employees).

As illustrated in the Map below, healthcare businesses are concentrated in the Downtown, west central and southeast areas of the City.

**Figure 15: Map of Health Care Firms, 2003**




Source: EDD, 2004

5.2.1.3 Cluster Challenges and Opportunities

During Focus Group discussions, key representatives from the health care sector discussed some of the challenges, opportunities and trends impacting the Health Care Cluster. These include:

- A very serious shortage of healthcare workers, particularly RNs, LVNs, CNAs, and Medical Assistants.
- Uncertainty in State funding priorities for health care which compounds local health service problems.
- An increase in the number of uninsured workers, especially as job growth has been primarily in sectors which don't provide health insurance such as tourism and retail.

- Mental health is a big health issue in Long Beach, with many people not receiving the care they require. Likewise behavioral health programs are closing, while the need for such programs is increasing.
- As baby-boomers retire, it will be difficult to replace these retiring health care workers.
- Rising housing costs make it more difficult for hospitals to attract and retain qualified medical personnel.
- The medical industry is not adopting technology as it should.
- The aging population will increase demand for senior care services.

5.2.1.4 Implications for Economic Development

- While healthcare is a core sector of Long Beach's economy, it is threatened by a severe shortage of health care workers.
- The City needs a work-based training program that helps working CNAs gain training to become LVNs, and working LVNs become RNs.

### 5.2.2 *EDUCATION*

5.2.2.1 Overview

Long Beach has long been a center for education. In 2003, 16,512 people were employed in Education (see Table 16). Long Beach has six times as many education jobs as would be expected if it had the same composition as California. Long Beach has specialized in education relative to California and the city "exports" education outside of its borders (in the form of college graduates). This technique of comparing proportional concentration of jobs in an economic cluster is called a Location Quotient (LQ) analysis and is often used by economists to analyze an economy. As shown in Table 16, Long Beach's economy is strengthened by specialization in Junior Colleges (LQ=19.6), and Universities and Professional Schools (LQ=4.7). Education jobs average $51,410 in payroll per employee, with slightly higher pay in elementary and secondary schools ($54,980) than at junior colleges ($38,819) or universities ($50,016).

**Table 16: Education Jobs, 2003**

| | Long Beach | | | | | California | | Location Quotient |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | (Relative Concentration of Sector in Long Beach) |
| **Educational Services** | **117** | **16,512** | **$ 51,410** | **141** | **10.2%** | **260,200** | **1.5%** | **6.6** |
| Elementary and Secondary Schools | 18 | 9,267 | $ 54,980 | 515 | 5.7% | 80,500 | 0.5% | 12.0 |
| Junior Colleges | 2 | 1,856 | $ 38,819 | 928 | 1.1% | 9,900 | 0.1% | 19.6 |
| Colleges, Universities and Professional Schools | 6 | 4,627 | $ 50,016 | 771 | 2.9% | 103,200 | 0.6% | 4.7 |
| Residual- Business, Technical Schools and Support | 91 | 762 | $ 47,134 | 8 | 0.5% | 66,700 | 0.4% | 1.2 |

Source: EDD, 2005

Education related job growth has been strong and will continue to increase over the next ten years.

- CSU Long Beach anticipates adding up to 9,000 additional Full Time Equivalent (FTE) students by 2010 to current enrollment of 26,800 FTE students. This 33 percent increase in enrollment should translate into 1,980 new jobs at CSU Long Beach as well as multiplier jobs in the community. In addition, the system-wide expansion of CSU will likely result in additional staffing at the CSU Chancellor's Office.
- Long Beach Unified School District currently serves 95,483 students, up 24 percent from 1993's enrollment of 76,786 students. However, enrollment has declined in the past two years, especially in the elementary grades, indicating a slight slowing in future job growth at the District. The slow job recovery and the booming housing market, which has priced some young families with children out of Long Beach, have contributed to declining enrollment.
- Long Beach City College is also in a growth mode with student enrollment increasing by an anticipated 3,000 students to 32,401 by 2010 and 35,848 students by 2015.[5] City College has also completed a Facilities Master Plan including design and development of: the New South Quad (a complex of 100,000 sq ft. of new classroom, state-of-the-art multipurpose rooms, and administrative offices), and a new facilities/warehouse complex that will serve as interim housing for the aviation and automotive programs.[6]

**Top 10 Education Employers, Long Beach 2003**

2,000 - 10,000 employees

- LONG BEACH UNIFIED SCHOOL DISTRICT
- CSU LONG BEACH
- LB COMMUNITY COLLEGE DISTRICT

200 - 1999 employees

- BROOKS COLLEGE
- CSU LONG BEACH FOUNDATION
- CSU CHANCELLORS OFFICE

75 - 199 employees

- CALIF PARAMEDICAL & TECH COLLEGE
- FLIGHT SAFETY INTL INC.
- EDUCORP INC.
- FLIGHTSAFETY BOEING TRAINING

*Source: MJC, 2005*

[5] Many City College students are part-time. In 2003 for example the district had 29,294 students but only 9,155 FTES.

[6] Long Beach City College Superintendent-President's Letter 2004: www.departments.lbcc.edu/planning/planning.html#

During Focus Group discussions, key representatives from the education sector discussed some of the challenges, opportunities and trends facing education, including:

- Classroom overcrowding is still commonplace in K-12, though declining enrollment will allow the Long Beach School District to reduce overcrowding somewhat. However, declining enrollment translates directly into declining revenue from the State, and the District will face a declining budget over the next 5-10 years.
- Poor people are not sufficiently connected to mainstream opportunities in Long Beach, particularly education and employment opportunities.
- The education system does not currently adequately prepare young people for non-college careers.
- The high-school drop-out rate has increased, and is particularly high among some ethnic groups.
- The city is shifting to a community composed of more Hispanics and immigrants. Consequently some cultural enclaves are insulated and isolated by language barriers.
- Rising housing costs make it more difficult for colleges to attract and retain qualified faculty and staff, and impact student retention and graduation rates.

5.2.2.2 Implications for Economic Development

- As California's budget woes continue, higher UC system tuition will result in higher CSU system enrollment and corresponding enrollment and staffing growth at CSU Long Beach and the CSU Chancellor's office. The City of Long Beach could engage with CSU Long Beach to insure that enrollment growth is effectively accommodated with minimal impacts on the City's budget.
- Neither the School District nor the state colleges contribute property taxes to the City of Long Beach, though all require police, fire and other services.

### *5.2.3 TOURISM, ARTS AND LEISURE*

5.2.3.1 Cluster Overview

Long Beach has much to offer local residents and tourists: balmy weather, miles of beaches, a world class convention center, first class hotels, a wide array of exciting restaurants, and unique attractions such as the Queen Mary, the Aquarium of the Pacific, Museum of Latin American Art (MoLAA), and the Long Beach Grand Prix. In addition, Long Beach's extensive marine facilities and services, beaches, and access to Catalina Island attract inland community day-trippers who visit Long Beach to escape the heat and enjoy the ocean. Well known throughout the LA basin as the home of accomplished artists, Long Beach has a unique local arts scene which serves visitors and locals alike. Long Beach's reputation as an artist center has been fostered through a variety of mechanisms, including the designation and development of the East Village Arts District -- a forty-block urban art village in Downtown Long Beach. The Public Corporation for the Arts (PCA) serves as an information clearinghouse for over 600 emerging, mid-career, and professional fine artists and over 100 cultural arts organizations. This cluster serves tourists, local residents and workers.

As shown in Table 17, 19,001 people were employed by 828 Long Beach businesses in 1993 by Tourism, Leisure and Arts cluster serving visitors, residents and workers in Long Beach. The cluster has grown by an astonishing 52 percent since 1997: adding 6,541 jobs to the 1997 total of 12,460. Overall the sector has 1.4 times as many jobs as would be expected relative to California (LQ=1.4), indicating that Long Beach is a center for tourism relative to both California and Los Angeles.

- Currently, 1,681 people are employed in the performing arts and spectator sports, while 1,076 people are employed in amusement and recreation related businesses, with an average salary of $23,416.
- Hotels and motels employ 3,110 people, and with a location quotient of 1.7 are attracting twice their fair share of California tourists (see Table 17). Average salaries are a low $18,785, however.

**Top 10 Tourism, Leasure, Arts & Entertainment Employers, 2003**

250 - 1000 employees

QUEEN MARY SEAPORT
CITY OF LONG BEACH, Parks & Recreation
HYATT CORPORATION
WESTIN-LONG BEACH
YARD HOUSE, LP
LONG BEACH AQUARIUM OF THE PACIFIC
LONG BEACH MARRIOTT

200 - 249 employees

SUPER MEX RESTAURANTS, INC.
LUCILLE'S SMOKEHOUSE BAR-B-Q
HILTON HOTELS CORP

*Source: MJC, 2005*

**Table 17: Tourism, Leisure, Hospitality and Arts Jobs, Long Beach 2003**

| | Long Beach | | | | | California | | |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Tourism, Leisure, Hospitality & Arts** | **828** | **19,001** | $ 16,443 | 23 | 11.7% | 1,397,600 | 8.2% | **1.4** |
| *Arts, Entertainment, and Recreation* | 72 | 1,681 | $ 23,416 | 23 | 1.0% | 233,900 | 1.4% | **0.8** |
| Performing Arts, Spectator Sports | 33 | 585 | $ 35,326 | 18 | 0.4% | 59,800 | 0.4% | **1.0** |
| Residual-Performing Arts Companies | 10 | 113 | $ 36,169 | 11 | 0.1% | 15,800 | 0.1% | **0.7** |
| Independent Artists, Writers, and Performers | 16 | 81 | $ 79,903 | 5 | 0.0% | 17,100 | 0.1% | **0.5** |
| Museums, Historical Sites, and Similar Institutions | 7 | 391 | $ 25,847 | 56 | 0.2% | 13,200 | 0.1% | **3.1** |
| Amusement, Gambling, and Recreation | 39 | 1,096 | $ 17,059 | 28 | 0.7% | 160,900 | 0.9% | **0.7** |
| *Accommodation and Food Service* | 677 | 15,480 | $ 15,071 | 23 | 9.6% | **1,163,700** | **6.9%** | **1.4** |
| Accommodation | 41 | 3,110 | $ 18,785 | 76 | 1.9% | 191,600 | 1.1% | **1.7** |
| Food Services and Drinking Places | 636 | 12,370 | $ 14,138 | 19 | 7.6% | 972,100 | 5.7% | **1.3** |
| Full-Service Restaurants | 222 | 6,061 | $ 15,297 | 27 | 3.7% | 462,600 | 2.7% | **1.4** |
| Limited-Service Eating Places | 325 | 4,758 | $ 12,427 | 15 | 2.9% | 436,400 | 2.6% | **1.1** |
| Special Food Services | 22 | 1,114 | $ 15,886 | 51 | 0.7% | 47,800 | 0.3% | **2.4** |
| Drinking Places (Alcoholic Beverages) | 67 | 437 | $ 12,226 | 7 | 0.3% | 25,400 | 0.1% | **1.8** |

Source: EDD, 2005

Overall 12,370 people are employed in restaurants, specialty food, catering and bars, a 33 percent increase (+3,056 jobs) over the 1997 total. Restaurants and bars serve both local residents and tourists. There are 1.3 as many Food Service and Drinking Place jobs in Long beach relative to California, indicating that roughly 30 percent of business at restaurants and bars is non-local.

Overall, this sector is composed of:

- 222 full-service restaurants employing 6,061 people, with an average annual salary of $15,297.
- 325 limited-service eating places employing 4,758 people
- 67 drinking places with 437 employees.

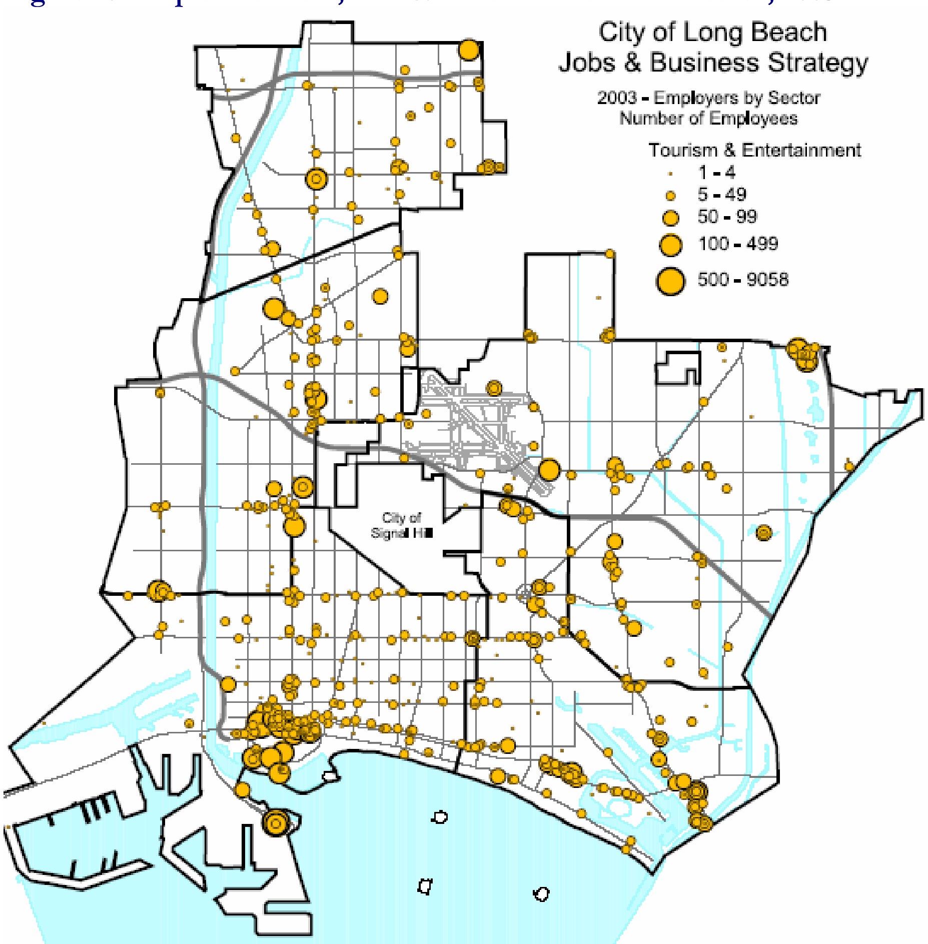
**Supporting Sectors.** While not in this sector, charter buses, taxis, scenic and sightseeing water transportation, and passenger car rental agencies all primarily serve the tourism sector and together employ 733 people.

**Largest Full-Service Restaurants, 2003**

| |
|---|
| 200 - 300 employees |
| YARD HOUSE, LP |
| SUPER MEX RESTAURANTS, INC. |
| LUCILLE'S SMOKEHOUSE BAR-B-Q |
| HOFS HUT |
| 100 - 199 employees |
| SHOREHOUSE CAFE, INC |
| CLAIM JUMPER RESTAURANT |
| T G I FRIDAYS INC. |
| THE REEF |
| MIMI'S CAFE |
| KING'S FISH HOUSE CALABASAS, L.P. |

*Source: MJC, 2005*

**Figure 16: Map of Tourism, Arts & Entertainment Businesses, 2003**




Source: EDD, 2004

Tourism, arts and entertainment businesses are located throughout Long Beach, as shown in the Map above, with a clustering around Downtown, Rainbow Harbor, and the Marina.

### 5.2.3.2 Economic Impact of Tourism

This section analyzes the particular economic impacts of overnight and day visitors on Long Beach's economy. Tourists are a major component of Long Beach's economy and a prime stimulant of this cluster. Business and pleasure tourists contributed roughly $750 million to Long Beach's economy in 2003. Most of this economic impact stems from visitor expenditures in hotels ($120 million), restaurants ($179 million), shopping ($151 million), entertainment ($141 million), car rental, gas and other services.

As shown in Table 18, tourist expenditures support roughly 9,800 jobs, primarily in hotels and motels (3,110 jobs) and in eating and drinking places (4,300 jobs). Long Beach captures an estimated six percent ($750 million) per year of LA County's $12.9 billion tourism economy per year.

Long Beach visitors also contribute significantly to the City's fiscal health in the form of Transient Occupancy Tax (TOT) revenues, sales tax, property taxes and business license fees. In 2002, the City received an estimated $18 million in revenue from business generated by overnight and day-trip visitors, including: $14.4 million in Transient Occupancy Taxes, and roughly $3.5 million in retail sales tax.

**Table 18: Estimated Economic Impact of Day and Over-night Visitors in Long Beach, 2003**

| Sector | Jobs (1) | Business Revenue (2) | City Revenue | Revenue Source |
|---|---|---|---|---|
| Hotels & Motels | 3,110 | $ 120,515,346 | $ 14,461,842 | TOT Tax |
| Eating & Beverage Services | 4,303 | $ 179,700,182 | $ 1,347,751 | Sales Tax |
| Shopping at Destination | 623 | $ 151,627,616 | $ 1,137,207 | Sales Tax |
| Ground Transportation & Motor Fuel | 919 | $ 153,177,270 | NA | |
| Arts, Recreation & Entertainment | 914 | $ 141,316,462 | $ 1,059,873 | Sales Tax |
| Total | 9,869 | $ 746,336,876 | $ 18,006,673 | |

*Sources: MJC, 2004; Dean Runyun Associates, 2003; EDD, 2004; State Board of Equalization, 2004*

*1) includes part, full-time and self-employment estimates*

*2) Business revenues estimated based on ratios from Los Angeles County*

As an "export sector", tourism-serving businesses sell goods and services to people from outside of the Long Beach area, and thereby bring money into the city and contribute to the "multiplier effect" by creating spin-off jobs and business in related sectors.

5.2.3.3 Trends and Assets

*Area Attractions and Visitors*

Long Beach attractions bring an estimated 6.1 million day and overnight visitors to Long Beach per year.[7] The City has contributed directly and indirectly to the quality of these attractions. As indicated in Figure 17, Long Beach attracts over a million visitors to the Queen Mary and the Aquarium of the Pacific each year. The Long Beach Convention Center performs very competitively, averaging 464,000 conventioneers per year. The new Carnival Terminal will add at least 350,000 debarkations to the Long Beach tourism market each year.

**Figure 17: Major Long Beach and LA-Area Visitor Attractions**

| | Annual Visitors |
|---|---|
| **Long Beach Visitor Attractions** | |
| Museum of Latin American Art (MOLAA) | 52,000 |
| Long Beach Museum of Art | 55,000 |
| Queen Mary | 1,500,000 |
| Long Beach Convention Center | 487,000 |
| Carnival Terminal | 350,000 |
| The Aquarium of the Pacific | 1,162,735 |
| **L.A. Area Visitor Attractions** | |
| Disneyland, Anaheim | 12,720,000 |
| Disney's California Adventure | 5,311,000 |
| Universal Studios, Hollywood | 4,576,000 |
| Huntington State Beach, Huntington Beach, CA | 3,769,946 |
| Doheny State Beach, Dana Point, Orange County | 1,834,908 |
| Bolsa Chica State Beach, Huntington Beach, CA | 2,257,957 |

*Souce: MJC, 2004; California Travel and Tourism Commission, 2004*

[7] MJC estimated the total number of visitor travel days to Long Beach by dividing total visitor expenditures of $746 million by the average California visitor expenditure of $121/day. Based on this crude but valid calculation, visitors spent an estimated 6.1 million travel days in Long Beach in 2003.

*Long Beach Hotel Trends*

With 49 hotels, Long Beach offers 4,928 rooms, with over 2,100 of these rooms in downtown Long Beach and on the Queen Mary. As indicated in Table 19, the Long Beach hotel market has recovered from its post 9/11 lows. Occupancy in 2004 was a very healthy 75 percent. Average daily room rates have risen steadily over the past seven years and now approach $100 per night. With $120 million in total revenue in 2003, the hotel market is rapidly returning to the exuberance of 2000.

**Table 19: Hotel Occupancy, Average Daily Rate, Revenue/Available Room, Long Beach, 98-04**

| Year | Occupancy (%) | Average Daily Rate ($) | Revenue Per Available Room | Total Rooms | Total Room Demand | Total Revenue |
|---|---|---|---|---|---|---|
| 1998 | 70.1 | $ 83.99 | $ 58.90 | 1,828,650 | 1,282,336 | $ 107,699,134 |
| 1999 | 71.4 | $ 88.53 | $ 63.22 | 1,826,790 | 1,304,598 | $ 115,491,910 |
| 2000 | 76.3 | $ 94.23 | $ 71.89 | 1,806,750 | 1,378,393 | $ 129,886,883 |
| 2001 | 70.2 | $ 95.95 | $ 67.35 | 1,802,042 | 1,264,931 | $ 121,364,244 |
| 2002 | 69.4 | $ 94.42 | $ 65.53 | 1,798,720 | 1,248,302 | $ 117,866,160 |
| 2003 | 70.5 | $ 95.08 | $ 67.00 | 1,798,720 | 1,267,516 | $ 120,515,346 |
| 2004 YTD | 75.0 | $ 99.22 | $ 74.40 | | | |
| Avg | 71.8 | $ 93.06 | $ 66.90 | 1,810,279 | 1,291,013 | $ 118,803,946 |

*Source: Smith Travel Research, 2004; MJC 2004*

*Data was provided from Smith Travel Research for the following hotels: Courtyard Long Beach Downtown, Holiday Inn Long Beach Airport, Comfort Inn Los Angeles, Hyatt Regency Long Beach, Travelodge Long Beach Convention Center, Guesthouse Inns Hotel Long Beach, Coast Hotels Long Beach Hotel, Super 8 Long Beach, Residence Inn Long Beach, Rodeway Inn Long Beach, Renaissance Long Beach Hotel, Holiday Inn Long Beach Downtown, Westin Long Beach, Marriott Long Beach, Hilton Long Beach, Days Inn Long Beach, Best Western Of Long Beach, Extended Stay America Long Beach. Total hotel rooms in surveyed hotels is 3688 rooms.*

The Long Beach hotel market is sufficiently strong to support the development of new hotels and three hotel projects are either currently under construction or in the planning stages.

*Airport Trends*

As a relatively small and very accessible airport with direct connection to a variety of large U.S. cities, the Long Beach Airport has contributed significantly to Long Beach's business, convention and leisure travel business. Air passenger volume increased from 1.4 million to 2.8 million passengers, an increase of 98 percent, from 2002 to 2003. Air passenger volumes have stabilized in 2004 as a result of legal limits to the number of local flights. As the dominant carrier, JetBlue served 71 percent of all passengers.[8]

Photo: Long Beach Airport

[8] JetBlue has direct connections with Oakland, Washington D.C., New York JFK, Salt Lake City, Boston, Fort Lauderdale and Las Vegas. Alaska Airlines, American West Airlines, and American Airlines provide direct service to Seattle, Phoenix, Dallas/Ft. Worth and New York's JFK respectively.

5.2.3.4 Cluster Trends

According to focus group participants:

- Long Beach is a rising star in LA County for visitors and tourism, as the city is starting to build an identity as a tourist destination in its own right. Wages are trending up in the tourism and arts cluster as ever more jobs are added.
- Convention Center business is strong. The expanded Long Beach Convention and Entertainment Center, includes a 224,000 square-foot exhibit hall, 83,000 square feet of meeting room space, a ballroom able to comfortably seat 1,600, a 13,600-seat arena, and two theaters in the Long Beach Performing Arts Center.
- New housing in downtown should attract a new urban demographic and help revitalize downtown retail.
- Long Beach has been working to create a vibrant arts district near the downtown. The Arts District could become a major destination with additional revitalization and arts attractions, such as the proposed Art Exchange. Arts organizations are collaborating more as they face cuts in funding.
- The declining value of the US dollar should translate into increased inbound travel to the US from foreign tourists, especially from Canada, as well as an increase in domestic visitors from the United States who may find travel abroad too expensive on a declining dollar.
- The new Carnival Terminal (opened April 2003) is home to two 855-foot cruise ships with approximately 330,000 annual passengers. Increased cruise line activity at the Port of Los Angeles (Disney Cruise Lines and Queen Mary 2) will further increase debarkations near and in Long Beach.

5.2.3.5 Implications for Economic Development

- Tourism, Arts and Leisure jobs are good entry-level jobs which provide low skilled workers with an opportunity to enter the workforce and build job skills. However there are few opportunities for advancement in this sector and most jobs offer relatively low pay.
- Tourism, Arts and Leisure businesses generally improve the quality of life for residents and potential residents. Growth in these sectors therefore make a community more attractive overall for more highly skilled workers.
- This sector provides rapid job growth to Long Beach's economy and generates significant revenues for the City's General Fund.

### *5.2.4 RETAIL*

5.2.4.1 Overview

Overall, merchandise retail stores[9] employed some 14,987 people in 913 firms in 2003, an increase of 36 percent (3,940 jobs) over 1997 employment of 11,047. As indicated in Table 20, retail sectors with the most jobs include: grocery stores (3,218 jobs), motor vehicle and parts dealers (1,961 jobs), and clothing stores (1,438 jobs). These same sectors had the greatest absolute job growth since 1997: grocery stores (+561 jobs), motor vehicle and parts dealers (+430 jobs), and clothing stores (+625 jobs).

**Table 20: Retail Jobs, Long Beach 2003**

| | Long Beach | | | | | California | | |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Retail Trade** | **913** | **14,987** | **$ 23,025** | **16** | 9.2% | 1,589,900 | 9.4% | **1.0** |
| Motor Vehicle and Parts Dealer | 84 | 1,961 | $ 41,163 | 23 | 1.2% | 207,800 | 1.2% | **1.0** |
| Automobile Dealers | 22 | 1,086 | $ 50,600 | 49 | 0.7% | 138,800 | 0.8% | **0.8** |
| Other Motor Vehicle Dealers | 14 | 278 | $ 43,907 | 20 | 0.2% | 17,000 | 0.1% | **1.7** |
| Automotive Parts, Accessories and Tire Stores | 48 | 597 | $ 22,721 | 12 | 0.4% | 52,000 | 0.3% | **1.2** |
| Furniture and Home Furnishings Stores | 45 | 343 | $ 24,962 | 8 | 0.2% | 61,900 | 0.4% | **0.6** |
| Electronics and Appliance Stores | 46 | 381 | $ 35,962 | 8 | 0.2% | 78,700 | 0.5% | **0.5** |
| Building Material and Garden Equipment Stores | 27 | 695 | $ 23,362 | 26 | 0.4% | 123,400 | 0.7% | **0.6** |
| Food and Beverage Stores | 161 | 3,733 | $ 18,578 | 23 | 2.3% | 307,583 | 1.8% | **1.3** |
| Grocery Stores | 126 | 3,218 | $ 19,646 | 26 | 2.0% | 269,242 | 1.6% | **1.2** |
| Residual-Specialty Food Stores | 35 | 333 | $ 18,404 | 10 | 0.2% | 38,342 | 0.2% | **0.9** |
| Liquor Stores | 53 | 182 | $ 13,249 | 3 | 0.1% | 12,358 | 0.1% | **1.5** |
| Health and Personal Care Stores | 91 | 1,188 | $ 31,316 | 13 | 0.7% | 103,500 | 0.6% | **1.2** |
| Gasoline Stations | 60 | 466 | $ 19,620 | 8 | 0.3% | 55,700 | 0.3% | **0.9** |
| Clothing and Clothing Accessories Stores | 94 | 1,438 | $ 18,281 | 15 | 0.9% | 168,900 | 1.0% | **0.9** |
| Sporting Goods, Hobby, Book and Music Stores | 50 | 1,160 | $ 16,079 | 23 | 0.7% | 84,700 | 0.5% | **1.4** |
| Sporting Goods, Hobby and Musical Instrument Sto | 41 | 1,086 | $ 14,980 | 26 | 0.7% | 54,600 | 0.3% | **2.1** |
| Book, Periodical and Music Stores | 11 | 137 | $ 23,673 | 12 | 0.1% | 30,200 | 0.2% | **0.5** |
| General Merchandise Stores | 28 | 1,942 | $ 16,813 | 69 | 1.2% | 248,800 | 1.5% | **0.8** |
| Department Stores | 7 | 1,024 | $ 15,615 | 146 | 0.6% | 185,700 | 1.1% | **0.6** |
| Other General Merchandise Stores | 21 | 918 | $ 18,149 | 44 | 0.6% | 63,100 | 0.4% | **1.5** |
| Miscellaneous Store Retailers | 112 | 946 | $ 18,332 | 8 | 0.6% | 106,000 | 0.6% | **0.9** |
| Nonstore Retailers | 18 | 245 | $ 31,749 | 14 | 0.2% | 30,600 | 0.2% | **0.8** |
| Consumer Rentals | 44 | 307 | $ 16,381 | 7 | 0.2% | | 0.0% | NA |

Source: EDD, 2005

Overall Long Beach retail largely serves local needs without drawing significant customers from the surrounding community (LQ=1). However the overall retail jobs picture obscures difference in performance within the sector. Top performing retail sectors include: sporting goods, hobby and musical instrument stores (LQ =2.1), liquor stores (LQ=1.5), grocery stores (LQ=1.2) and automotive parts and accessories (LQ=1.32). Poor performing retail sectors include: Department Stores (LQ= 0.6), automobile dealers (LQ=0.8), furniture (LQ=0.6), and electronics stores (LQ=0.5). Many poorly performing retail sectors are losing out to competitive malls outside of Long Beach.

**Wages.** The average retail payroll was $23,025 in 2003. Salaries range from a relatively low $13,249 for liquor store jobs to a relatively high $50,600 for jobs with auto dealers. For detailed information about wages by sector, please see Table 20.

[9] The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector comprises two main types of retailers: store and non-store retailers. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. Non-store retailers reach customers and market merchandise through "infomercials," direct-response advertising, paper and electronic catalogs, door-to-door solicitation, in-home demonstrations, and selling from portable stalls (street vendors, except food), and distribution through vending machines.

5.2.4.2 Trends and Retail Leakage

People engage in three distinct types of shopping, namely: pleasure shopping, chore shopping and comparison shopping.[10] Retail areas and retailers must focus efforts to serve these core shopping patterns. Currently, Long Beach retail centers provide fair to good venues for all three types of shopping. However, a variety of very competitive shopping malls outside of Long Beach attract many Long Beach residents, which results in "retail sales leakage" and the loss of potential City sales tax revenues and jobs.

Overall retail sales in Long Beach have grown by ten percent per year since 1999. Total sales have increased from $2.8 billion in 1999 to $3.6 billion in 2003. Most of the growth in retail sales can be attributed to a spike in the building materials sales after Lowe's opened Long Beach outlets in 2000.

**Table 21: Taxable Retail Sales, Long Beach 2000-2003 ($1000 of dollars)**

| | 1999 | 2000 | 2001 | 2002 | 2003 | Average Annual % Growth |
|---|---|---|---|---|---|---|
| **Retail Stores** | | | | | | |
| Apparel stores | $ 83,074 | $ 94,923 | $ 98,924 | $ 103,142 | $ 105,942 | 7% |
| General merchandise stores | $ 252,223 | $ 285,654 | $ 281,139 | $ 317,025 | $ 387,954 | 7% |
| Food stores | $ 181,700 | $ 191,014 | $ 186,083 | $ 192,907 | $ 194,872 | 2% |
| Eating and drinking places | $ 402,609 | $ 450,710 | $ 466,732 | $ 489,759 | $ 520,374 | 6% |
| Home furnishings and appliances | $ 85,995 | $ 94,034 | $ 88,875 | $ 92,281 | $ 93,983 | 2% |
| Bldg. matrl. and farm implements | $ 191,588 | $ 495,966 | $ 400,575 | $ 500,446 | $ 516,578 | 19% |
| Auto dealers and auto supplies | $ 293,008 | $ 332,679 | $ 345,656 | $ 328,824 | $ 314,220 | 4% |
| Service stations | $ 225,915 | $ 306,657 | $ 278,348 | $ 268,523 | $ 336,850 | 4% |
| Other retail stores | $ 358,488 | $ 410,973 | $ 427,138 | $ 443,404 | $ 436,990 | 7% |
| *Total Retail Stores* | *$ 2,074,600* | *$ 2,662,610* | *$ 2,573,470* | *$ 2,736,311* | *$ 2,907,763* | 12% |
| All Other Outlets | $ 748,956 | $ 770,161 | $ 837,139 | $ 852,224 | $ 739,611 | 4% |
| **Totals All Outlets** | **$ 2,823,556** | **$ 3,432,771** | **$ 3,410,609** | **$ 3,588,535** | **$ 3,647,374** | **10%** |

*Source: State Board of Equalization, 2004; MJC, 2004*

Major national trends in the retail market include: the domination by planned shopping centers for both the pleasure and comparison shopping markets, with a general decline in smaller malls. Within the chore shopping market, the "Big Box" (such as Wal-Mart, K-Mart, Home Depot) market share is growing and most Big Box retailers prefer stand-alone sites. "Super Stores" are growing in kind and number, and drive to and through convenience shopping is also growing.[11] These general trends influence Long Beach retailing patterns.

5.2.4.3 Taxable Retail Sales Leakage Analysis

The City of Long Beach has significant retail sales leakage. As shown in the Table 22, Long Beach underperforms the City of Los Angeles in every retail sales category on a per-capita basis except for building materials. The City of Los Angeles was chosen as the benchmark city because of its similar demographic composition and because its size makes retail leakage considerably less likely. The City of Long Beach loses

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[10] **Chore Shopping.** Chore shopping consists of shopping for groceries, gas, and household items. Chore shopping typically takes place in "big-box" retailers, stand alone super stores and grocery stores, and power centers. In Long Beach, chore shopping occurs primarily at Wal-Mart, Home Depot, Lowe's, Target, K-Mart, Vons, Albertsons, and other big box retailers.

**Pleasure Shopping.** Pleasure shopping typically consists of fine dining, gift purchases, higher-end apparel, furnishings and higher-end household items. According to a recently completed phone survey by Talbot Consultants, the "most shopped" retail centers in the Long Beach Retail Trade Area are Lakewood Center, Cerritos Mall, Del Amo Fashion Center, South Coast Plaza, and Pine Avenue. Long Beach shopping areas are the "most shopped" pleasure shopping centers by only 18 percent of the retail trade area resident respondents.

**Comparison Shopping.** Comparison shopping is typically for big-ticket-items such as cars or large appliances and typically occurs in large auto-malls or regional shopping malls. Long Beach's Traffic Circle auto mall also has a variety of auto retailers, but Signal Hill auto dealers are capturing a large share of the Long Beach auto sales market.

[11] Nelson & Niles 1999

much of its retail sales to four competitor cities: Signal Hill, Lakewood, Cerritos and Carson. As shown in Table 22, on a sales-per-capita basis, these cities capture much more than their fair share of retail sales in the general merchandise, building materials, auto dealers and supplies, other retail, and outlet categories. Indeed Signal Hill, perched in the middle of Long Beach, is particularly adept at capturing significant retail sales dollars from Long Beach's residents and workforce. In 2002, Signal Hill had $95,566 in taxable sales per capita compared to Long Beach's $7,775 in total taxable sales per capita.

### Table 22: Per Capital Annual Retail Sales, Long Beach and Competitor Cities, 2002

| | Comparison | | Competitor Cities | | | |
|---|---|---|---|---|---|---|
| | Los Angeles | Long Beach | Signal Hill | Lakewood | Cerritos | Carson |
| **Retail Stores** | | | | | | |
| Apparel stores | $ 361 | $ 223 | $ 270 | $ 982 | $ 2,550 | $ 182 |
| General merchandise stores | $ 859 | $ 687 | **$ 12,456** | **$ 2,775** | **$ 6,334** | $ 1,635 |
| Food stores | $ 426 | $ 418 | $ 782 | $ 591 | $ 260 | $ 371 |
| Eating and drinking places | $ 1,096 | $ 1,061 | $ 1,342 | $ 1,411 | $ 1,671 | $ 805 |
| Home furnishings and appliances | $ 316 | $ 200 | $ 1,529 | $ 404 | $ 972 | $ - |
| Bldg. matrl. and farm implements | $ 506 | $ 1,084 | **$ 11,010** | $ - | $ - | $ 1,124 |
| Auto dealers and auto supplies | $ 1,017 | $ 712 | **$ 24,132** | $ 1,658 | **$ 19,926** | $ 3,932 |
| Service stations | $ 656 | $ 582 | **$ -** | $ 797 | $ 463 | $ 875 |
| Other retail stores | $ 1,182 | $ 961 | **$ 29,641** | $ 2,290 | **$ 4,858** | $ 3,114 |
| Total Retail Stores | *$ 6,419* | *$ 5,929* | *$ 81,162* | *$ 10,909* | *$ 37,034* | *$ 12,038* |
| All Other Outlets | $ 2,200 | $ 1,847 | $ 14,404 | $ 439 | $ 8,030 | $ 7,226 |
| **Totals All Outlets** | **$ 8,619** | **$ 7,775** | **$ 95,566** | **$ 11,348** | **$ 45,063** | **$ 19,265** |

*Source: State Board of Equalization, 2002; MJC, 2004*

In 2002, Long Beach lost about $389 million in potential retail sales to competitor cities through retail sales leakage. Retail sales leakage is calculated by comparing Long Beach's sales per capita with that of a larger reference area (in this case Los Angeles). In 2002, Long Beach lost $2.9 million in sales tax revenue to retail sales leakage (see Table 23). A significant number of retail jobs, which could be in Long Beach are also in neighboring competitor communities as a result of this leakage.

### Table 23: Taxable Retail Sales Leakage, Long Beach 2002

| | Taxable Retail Sales | Retail Leakage | Leakage Per Capita | Lost Local Sales Tax Revenue |
|---|---|---|---|---|
| Retail Stores | | | | |
| Apparel stores | $ 103,142,000 | -$63,484,552 | -$138 | -$476,134 |
| General merchandise stores | $ 317,025,000 | -$79,376,259 | -$172 | -$595,322 |
| Food stores | $ 192,907,000 | -$3,796,014 | -$8 | -$28,470 |
| Eating and drinking places | $ 489,759,000 | -$16,138,722 | -$35 | -$121,040 |
| Home furnishings and appliances | $ 92,281,000 | -$53,384,313 | -$116 | -$400,382 |
| Bldg. matrl. and farm implements | $ 500,446,000 | $267,031,026 | $579 | $2,002,733 |
| Auto dealers and auto supplies | $ 328,824,000 | -$140,740,865 | -$305 | -$1,055,556 |
| Service stations | $ 268,523,000 | -$34,089,172 | -$74 | -$255,669 |
| Other retail stores | $ 443,404,000 | -$102,276,983 | -$222 | -$767,077 |
| *Total Retail Stores* | *$ 2,736,311,000* | -$226,255,855 | *-$490* | -$1,696,919 |
| All Other Outlets | $ 852,224,000 | -$162,968,137 | -$353 | -$1,222,261 |
| Totals All Outlets | $ 3,588,535,000 | -$389,223,991 | -$843 | -$2,919,180 |

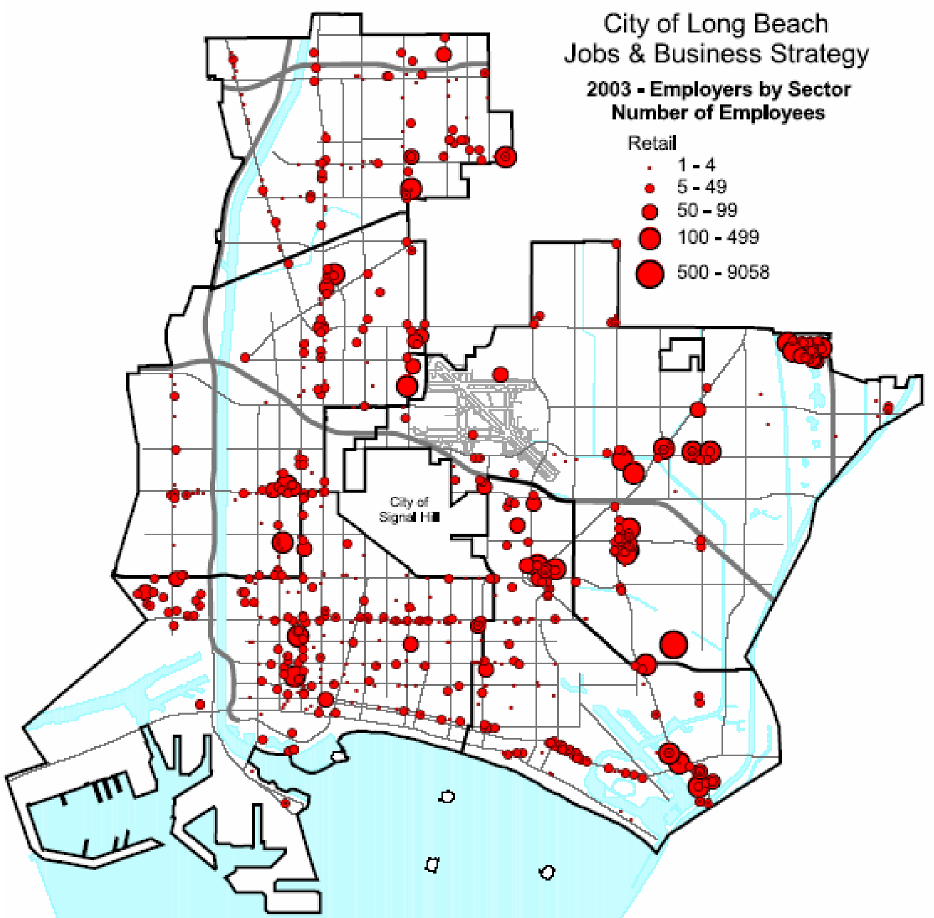
*Source: State Board of Equalization, 2002; MJC, 2004*

The data presented in Table 23 is from 2002 and does not include new retail sales from *City Place* and *The Pike*, afforded by these two major additions to Long Beach's retail scene.

- *City Place* is a $75 million mixed-use development of 370,000-square feet of urban scaled destination retail anchored by Wal-Mart; 85,000-square feet of neighborhood retail anchored by Albertson's and Sav-On; Nordstrom Rack and Ross stores; and 350 units of market rate housing.

- *The Pike at Rainbow Harbor* is a 350,000-square foot commercial complex consisting of restaurant, retail, and entertainment uses.

**Figure 18: Map of Retail Businesses, Long Beach, 2003**




Source: EDD, 2004

The figure above maps the distribution of retail centers by neighborhood. As illustrated, retail businesses are located throughout the City, though they are concentrated along Pine Avenue, City Place, 2nd Avenue, and Alamitos Bay, among other major shopping areas.

5.2.4.4 Cluster Challenges and Opportunities

- Long Beach's Power Centers[12] do not appear to have sufficient regional appeal to capture a fair share of retail dollars from Long Beach and/or non-Long Beach residents in apparel, furniture, electronics, and department stores.
- Pine Avenue offers a strong restaurant and bar market, though its appeal as a specialty shopping venue appears to be slipping.
- There is significant competition for residents' retail dollars by non-Long Beach retailers, especially in the automotive sales, general merchandise, apparel, and other retail sales.

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[12] A Power Center is a very large retail mall of over 300,000 square feet of retail space, which brings together a variety of destination retail stores and smaller format stores. Power Centers often include restaurants and movie theaters as well.

- There is a significant oversupply of outdated and underperforming commercial strip retail space.
- Long Beach continues to capture significant sales dollars from surrounding communities in the Building Materials and Garden Equipment category.
- Long Beach has sufficient grocery stores to meet local demand, though geographic distribution of grocery stores may be uneven among different Long Beach neighborhoods.
- The new Zoning Element of the General Plan seeks to transform older commercial corridors into mixed-use retail districts (with housing and office above and retail below). This effort may gradually strengthen Long Beach's pleasure shopping venues.

5.2.4.5 Implications for Economic Development

- At the macro level, Long Beach has the proportion of grocery store jobs as would be expected given the California economy as a whole (LQ=1.2). This means that there is limited market support for additional chain grocery stores in Long Beach, though particular neighborhoods may have needs that are not met.
- This analysis supports the contention that Long Beach may have a higher-than-usual presence of liquor stores and bars (LQ= 1.7).
- Opportunities to attract new specialty retailers to Long Beach will improve, if more middle and higher-income residents move into the City.
- Current land-use patterns may limit the City's ability to attract new retailers as older commercial corridors do not offer competitive retailing space. Retail recruitment efforts focused on chains are most likely to be successful when focused on existing successful shopping areas such as City Place, The Pike, and other Long Beach Power Centers.


*Photo: Alamitos Bay*

### *5.2.5 PROFESSIONAL AND BUSINESS SERVICES*

5.2.5.1 Overview

The professional and business services cluster[13] is comprised of 1097 firms that employed 22,527 people in 2003, an increase of 52 percent (7,649 jobs) over the 1997 total of 14,791 jobs. Overall the sector employs 14 percent of the Long Beach workforce.

Job growth was particularly strong in Administrative and Support Services which doubled in size from 6,708 to 12,723 jobs between 1997 and 2003. This cluster serves the Long Beach economy but exports little to the region (LQ=1.1). However it has relatively strong job concentrations in Accounting (LQ=2), Office Administrative Service (LQ=3), Employment Services (LQ=1.5), and Investigation and Security Services (LQ=2.5). All of these sub-sectors are relatively low-skill and low-wage, and many employed in these clusters are temporary workers. Temporary employment is one of the fastest growing industries in the nation and Long Beach has caught the wave and seems to be surfing this trend.

Job growth has remained flat in the professional, scientific and technical services sector: the sector lost 122 jobs over the five year interval from 1987 to 2003, when 735 firms employed 7,961 people.

**Table 24: Professional and Business Service Jobs, Long Beach 2003**

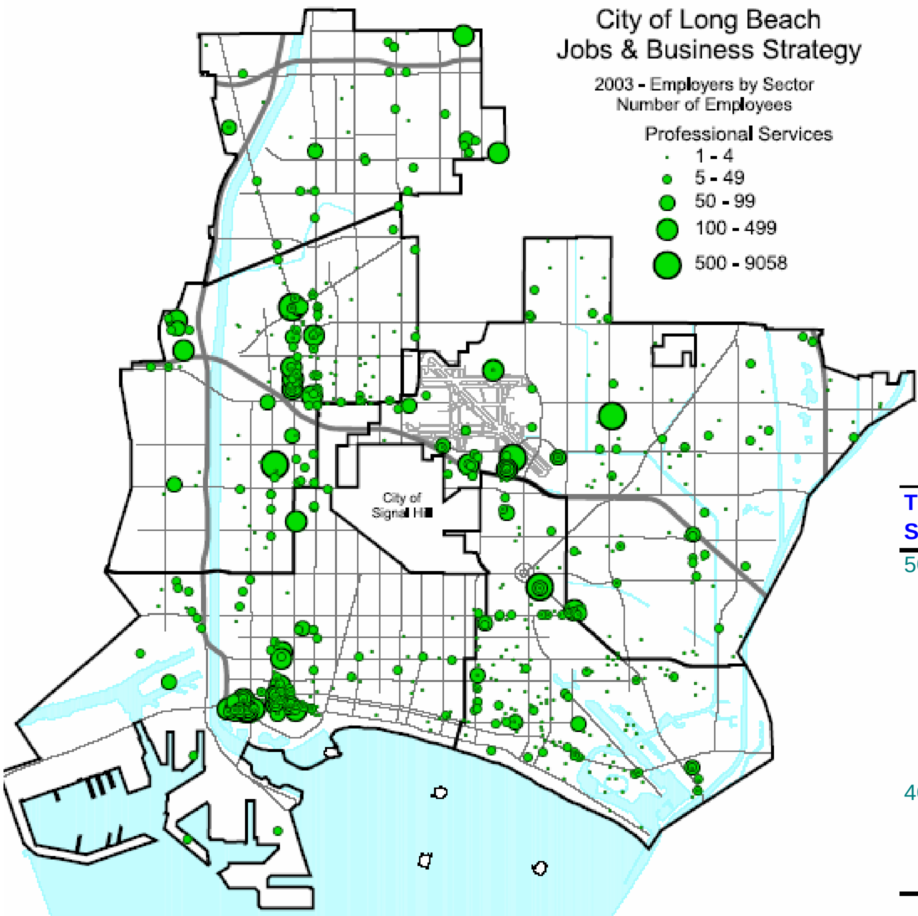
| | Long Beach | | | | | California | | |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Professional and Business Services** | **1097** | **22,527** | **$ 46,939** | **21** | 13.9% | 2,108,100 | 12.4% | **1.1** |
| *Professional, Scientific and Technical Services* | 746 | 8,045 | $ 61,923 | 11 | 5.0% | 899,400 | 5.3% | **0.9** |
| Legal Services | 205 | 1,511 | $ 84,089 | 7 | 0.9% | 138,700 | 0.8% | **1.1** |
| Accounting, Tax Preparation, Bookkeeping Services | 119 | 2,012 | $ 33,355 | 17 | 1.2% | 103,500 | 0.6% | **2.0** |
| Architectural, Engineering and Related Services | 89 | 1,505 | $ 66,610 | 17 | 0.9% | 149,300 | 0.9% | **1.1** |
| Specialized Design Services | 35 | 345 | $ 62,886 | 10 | 0.2% | 23,000 | 0.1% | **1.6** |
| Computer Systems Design and Related Services | 66 | 674 | $ 76,219 | 10 | 0.4% | 166,200 | 1.0% | **0.4** |
| Management, Scientific, Technical Consulting Servic | 149 | 1,197 | $ 77,248 | 8 | 0.7% | 111,000 | 0.7% | **1.1** |
| Scientific Research and Development Services | 9 | 93 | $ 104,153 | 10 | 0.1% | 95,100 | 0.6% | **0.1** |
| Advertising and Related Services | 38 | 375 | $ 43,055 | 10 | 0.2% | 60,500 | 0.4% | **0.6** |
| Other Professional, Scientific, Technical Services | 36 | 333 | $ 37,204 | 9 | 0.2% | 52,100 | 0.3% | **0.7** |
| *Management of Companies and Enterprises* | 29 | 1,759 | $ 102,437 | 61 | 1.1% | 255,600 | 1.5% | **0.7** |
| *Administrative and Support and Waste Services* | 322 | 12,723 | $ 29,792 | 40 | 7.8% | 953,200 | 5.6% | **1.4** |
| Administrative and Support Services | 310 | 12,260 | $ 28,928 | 10 | 7.6% | 917,100 | 5.4% | **1.4** |
| Office Administrative Services | 40 | 1,269 | $ 60,083 | 32 | 0.8% | 44,900 | 0.3% | **3.0** |
| Employment Services | 72 | 6,381 | $ 25,693 | 89 | 3.9% | 441,600 | 2.6% | **1.5** |
| Business Support Services | 44 | 510 | $ 28,197 | 12 | 0.3% | 60,300 | 0.4% | **0.9** |
| Travel Arrangement and Reservation Services | 24 | 568 | $ 33,003 | 24 | 0.4% | 31,300 | 0.2% | **1.9** |
| Investigation and Security Services | 21 | 2,614 | $ 20,831 | 124 | 1.6% | 110,000 | 0.6% | **2.5** |
| Services to Buildings and Dwellings | 85 | 723 | $ 27,963 | 9 | 0.4% | 192,500 | 1.1% | **0.4** |
| Residual-Other Support Services | 24 | 195 | $ 34,190 | 8 | 0.1% | 27,800 | 0.2% | **0.7** |
| Waste Management and Remediation Services | 12 | 463 | $ 52,669 | 39 | 0.3% | 36,100 | 0.2% | **1.3** |
| Waste Treatment and Disposal | 5 | 283 | $ 54,614 | 57 | 0.2% | 12,700 | 0.1% | **2.3** |
| Residual-Waste Collection, Remediation Services | 7 | 180 | $ 49,610 | 26 | 0.1% | 23,400 | 0.1% | **0.8** |

Source: EDD, 2005

**Wages.** Overall average wages are a low $29,797 per year for people in the Administrative Support sector, while average wages are a much higher $62,923 for people working in the Professional, Scientific and Technical Services sector.

**Figure 19: Map of Professional and Business Service Firms, 2003**

[13] These firms provide services to clients in a variety of industries and, in some cases, to households, including the following activities: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.




**Top Ten Profession and Business Service Employers, Long Beach 2003**

500-2000 employees

- UNIVERSAL SECURITY CONCEPTS INC.
- 3.6.9 HOLDINGS, INC.
- EMPLOYMENT MANAGEMENT SERVICES, INC.
- FIRST MEDICAL STAFFING, INC.
- EDGE MANAGEMENT WEST, LLC.
- PROGRESSIVE STAFF, INC.
- EPSON AMERICA, INC.

400-499 employees

- PREMIER NURSING SERVICE
- AFSA DATA CORP
- ORIENT TALLY COMPANY

*Source: MJC, 2005*

Source: EDD, 2004

As shown in the map above, Professional and Business Service firms are located throughout Long Beach, however downtown, the airport and West Central Long Beach are geographic centers for this cluster.

5.2.5.2 Implications for Economic Development

- The Administrative Support services sector is likely to continue rapid growth, with or without the attention of the City of Long Beach.
- Many lower-income people find entry-level employment in administrative support services, and appropriate job training and placement services would likely yield rewards to Long Beach residents.

## 5.3 Sectors in Transition

This section explores transitions of former dominant economic sectors in Long Beach. Manufacturing, Trade, Transportation and Warehousing appear to be losing their dominance in the Long Beach economy. High Tech, on the other hand, has never been a strong sector in Long Beach. All of these sectors remain an important source of quality jobs with opportunities for advancement. However, as noted in the sections below the future growth of each remains in question.

### *5.3.1 MANUFACTURING*

5.3.1.1 Jobs and Sector Analysis

With over 17,000 jobs, Long Beach's manufacturing cluster provides 11 percent of all Long Beach jobs. The sector is dominated by aerospace with 10,368 jobs, computer and electronic product manufacturing (1,074 jobs), fabricated metal product manufacturing (717 jobs) and motor vehicle parts manufacturing (1,397 jobs). Please see Table 25 to review total jobs, payroll, payroll/job and firms for each sub-sector of Manufacturing.

**Table 25: Manufacturing Jobs, Long Beach 2003**

| | Long Beach | | | | | | California | | |
|---|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Manufacturing** | **343** | **17,239** | **$** | **63,182** | **50** | 10.6% | 1,544,900 | 9.1% | **1.2** |
| **High Tech Manufacturing** | **173** | **14,810** | **$** | **68,260** | **86** | 9.1% | 981,800 | 5.8% | **1.6** |
| Primary Metal Manufacturing | 4 | 362 | $ | 59,553 | 91 | 0.2% | 25,200 | 0.1% | **1.5** |
| Fabricated Metal Product Mfg | 46 | 717 | $ | 41,456 | 16 | 0.4% | 138,800 | 0.8% | **0.5** |
| Machinery Manufacturing | 23 | 235 | $ | 61,553 | 10 | 0.1% | 86,700 | 0.5% | **0.3** |
| Computer and Electronic Product Manufacturing | 18 | 1,074 | $ | 58,225 | 60 | 0.7% | 326,100 | 1.9% | **0.3** |
| Electrical Equipment and Appliance Manufacturing | 7 | 360 | $ | 34,429 | 51 | 0.2% | 36,600 | 0.2% | **1.0** |
| Transportation Equipment Manufacturing | 33 | 11,441 | $ | 73,337 | 347 | 7.1% | 129,300 | 0.8% | **9.3** |
| Motor vehicle parts and body manufacturing | 10 | 1,397 | $ | 59,413 | 140 | 0.9% | 32,867 | 0.2% | **4.4** |
| Aerospace Product and Parts Manufacturing | 13 | 10,368 | $ | 68,050 | 798 | 6.4% | 73,400 | 0.4% | **14.8** |
| Ship and boat building | 11 | 206 | $ | 45,887 | 19 | 0.1% | 8,867 | 0.1% | **2.4** |
| Chemical Manufacturing | 20 | 320 | $ | 65,865 | 16 | 0.2% | 78,400 | 0.5% | **0.4** |
| Plastics and Rubber Products Manufacturing | 22 | 301 | $ | 33,647 | 14 | 0.2% | 59,800 | 0.4% | **0.5** |
| **Low Tech Manufacturing** | **170** | **2,429** | **$** | **32,220** | **14** | 1.5% | 563,100 | 3.3% | **0.5** |
| Residual-Wood Product Manufacturing | 10 | 118 | $ | 28,210 | 12 | 0.1% | 39,600 | 0.2% | **0.3** |
| Furniture and Related Product Manufacturing | 23 | 747 | $ | 37,026 | 32 | 0.5% | 62,900 | 0.4% | **1.2** |
| Miscellaneous Manufacturing | 31 | 485 | $ | 47,521 | 16 | 0.3% | 91,600 | 0.5% | **0.6** |
| Food Manufacturing | 32 | 225 | $ | 22,168 | 7 | 0.1% | 156,000 | 0.9% | **0.2** |
| Beverage and Tobacco Product Mfg | D | - | $ | - | | 0.0% | 35,700 | 0.2% | **0.0** |
| Textile Mills | 3 | 207 | $ | 21,491 | 69 | 0.1% | 13,000 | 0.1% | **1.7** |
| Apparel Manufacturing | 37 | 303 | $ | 14,056 | 8 | 0.2% | 89,000 | 0.5% | **0.4** |
| Residual-Textile Product Mills | 7 | 122 | $ | 20,054 | 17 | 0.1% | 16983 | 0.1% | **0.8** |
| Paper Manufacturing | D | D | | | | | 30,100 | 0.2% | |
| Printing and Related Support Activities | 27 | 222 | $ | 36,419 | 8 | 0.1% | 63,900 | 0.4% | **0.4** |

Source: EDD, 2005

As indicated in Table 25, the Long Beach economy has very high concentration of Aerospace (LQ=14), ship and boat building (LQ=2.4) and motor vehicle parts and body manufacturing jobs (LQ=4.4). These economic base industries export products to the nation and the world and are a significant source of income, jobs and other benefits to the Long Beach economy. However, there is no corresponding concentration of supplier businesses, such as plastics manufacturing, electrical equipment, fabricated metal products, or machinery manufacturing, which would be expected from the presence of large Original Equipment Manufacturers (OEM)[14] like Boeing and Gulfstream Aerospace. Typically a large OEM, like Boeing, should attract a wide array of suppliers in metal manufacturing, fabricated metal products, computer and electronic

[14] An OEM is a large manufacturing firm such as Boeing, Ford or General Motors, which designs and assembles equipment, but often subcontracts manufacturing of constituent parts to a supply base of small and mid-sized manufacturing firms.

manufacturing, and plastics and rubber manufacturing to the surrounding economy. All of these later sectors have location quotients of less than one, signifying that they are under-represented in Long Beach in comparison to their overall representation in the California economy. Thus, the decline in Boeing's fortunes have resulted in a general hollowing out of the supply chain. Indeed absent Boeing, Long Beach would not have a proportional fair share of the manufacturing sector. One could surmise, from the data that Boeing is purchasing some of its inputs locally from Long Beach businesses, but that it purchases the majority of its inputs from suppliers in the L.A. region and beyond. This explanation is borne out by the relatively higher location quotients of the supplier sectors (ranging from 1.2 to 1.4) for the LA region (See Appendix B).

With just 2,400 jobs, Long Beach is not competitive in the lower-tech manufacturing sector relative to Los Angeles County (LQ=0.5). This sector is composed of furniture and related wood-products manufacturing, food manufacturing, textile mills, apparel manufacturing and printing among other lower-tech manufacturing sectors. Overall, Long Beach has less than its fair share of lower-tech manufacturing in all sectors except for furniture and related product manufacturing and textile mills. Comparatively, Los Angeles is fairly strong in all sectors, with location quotients that range from 0.9 to 2.59. This suggests that Los Angeles County is an effective location for a diversity of employers from these sectors, while Long Beach has not effectively attracted/retained these manufacturing firms.

5.3.1.2 Trends

Overall manufacturing has undergone a prolonged decline in Long Beach; many thousands of jobs have been lost over the past decade primarily due to job losses at Boeing. From 1997 through 2003, the sector lost 10,309 jobs for a 37 percent decline from the 1997 total of 24,500. Cluster performance is closely tied to the fortunes of Boeing. Increased federal spending on defense and homeland security has boosted demand for Boeing's noncommercial aircraft, satellites, and navigation systems. However, declining national air-passenger demand, and significant restructuring in the airline business due to bankruptcies and changing business models have depressed demand for new commercial jets. How these trends have impacted Boeing's recent past in Long Beach is clear, as the last MD-11 came off the product line and 6,000 jobs were lost in 2002, and Boeing announced the end of 717 production in early 2005 and the ultimate elimination of an additional 1,000 jobs. Boeing currently operates a 424-acre facility at the Long Beach Airport with over 6.7 million square feet of space that is utilized for the production of the C-17 military transport plane, and program support for production lines in other locations.

Photo: Boeing, Long Beach

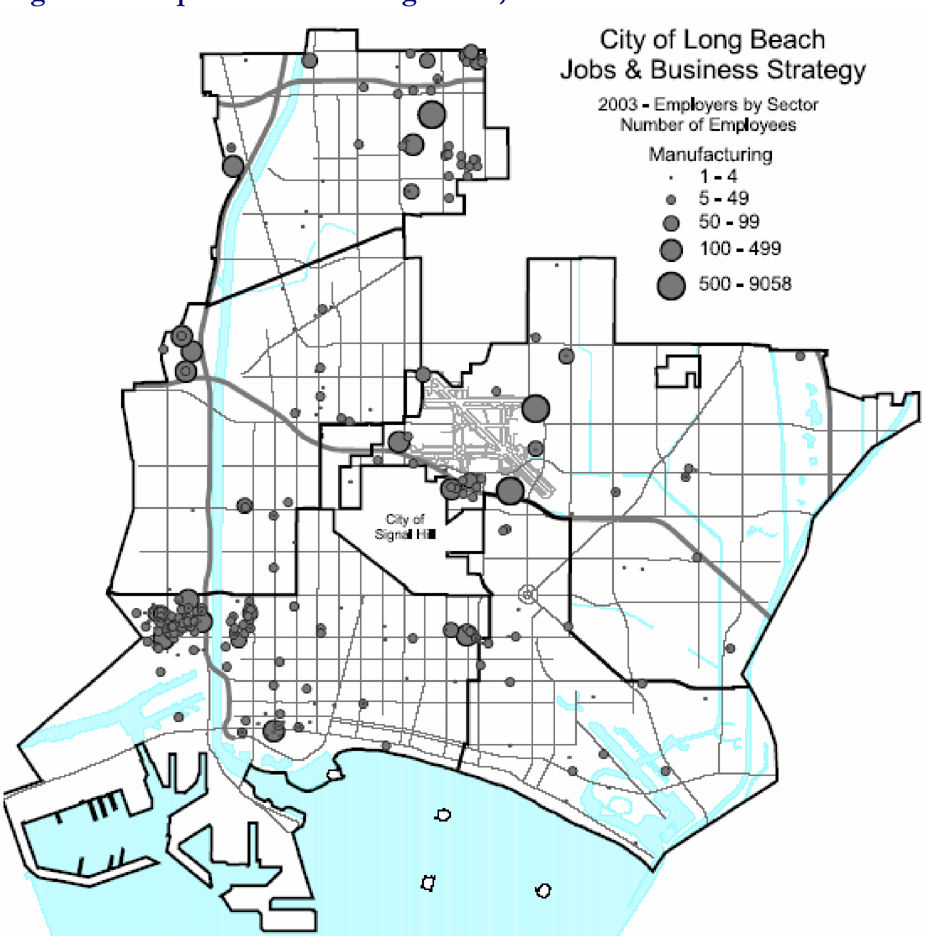
Lower tech manufacturing has been moving off-shore for many decades, with L.A. County one of the few areas of the United States which has retained a significant share of lower-tech manufacturing, particularly apparel manufacturing (LQ=2.5) tied to women's fashions. While outsourcing of apparel manufacturing continues, LA County has held on to the design and fashion sectors of apparel manufacturing.[15] L.A. County also has a strong furniture and related product manufacturing sector (LQ=1.5), yet neither of these sectors are well-represented in Long Beach.

[15] *Los Angeles Area Fashion Industry Profile*, LAEDC, Dec 2003.

**Wages.** Offering some of the best salaries in the Long Beach economy with an average wage of $63,182 the manufacturing cluster provides a wide range of excellent high-pay jobs.

**Top Employers.** Top manufacturing firms include Boeing Corp, Gulfstream Aerospace, and Verizon. The top ten largest employers provide 75 percent of all jobs in the sector.

**Figure 20: Map of Manufacturing Firms, 2003**




Source: EDD, 2004

As illustrated in the Map above, manufacturing firms are concentrated in the South west, airport and North areas of Long Beach.

5.3.1.3 Cluster Challenges and Constraints

- Lack of significant Long Beach-based manufacturing suppliers to the city's major employer, Boeing.
- Competition from area cities for manufacturing firms.
- Heavy reliance upon Boeing as a source of high quality jobs in Long Beach, and uncertainty about Boeing's prospects.
- Limited opportunities to attract new manufacturing jobs to Long Beach because of a lack of space for new facilities.

**Top Manufacturing Firms, Long Beach 2003**

| |
|---|
| 500-10,000 employees |
| BOEING |
| GULFSTREAM AEROSPACE CORP |
| VERIZON CALIFORNIA INC |
| 300-499 employees |
| SNUGTOP |
| TABC |
| ROBERTSHAW CONTROLS COMPANY |
| 200 - 299 employees |
| HUGHES TECHNICAL SERVICES COMPANY |
| DENSO SALES CALIFORNIA, INC. |
| WESTERN TUBE & CONDUIT CORP |
| VERIZON SVC. ORGANIZATION INC. |
| ALFLEX CORPORATION |

*Source: MJC, 2005*

5.3.1.4 Cluster Opportunities and Strengths

- Boeing is in the process of converting 260 acres of their facility from industrial to commercial and residential. This Douglas Park development may provide an opportunity to attract additional manufacturing firms and develop quality industrial, research and development space.
- Easy access to Port of Long Beach for export and import of manufactured products.

5.3.1.5 Implications for Economic Development

- The Long Beach/Harbor Cities industrial market has very low vacancy of 2.8 percent (see page 54). Given this extremely low vacancy rate, new manufacturing firms could be easily attracted to Long Beach with the development of new industrial space.
- Attraction of manufacturing supply chain firms could result in job growth and a stronger manufacturing sector for Long Beach. Long Beach may be able to attract metal manufacturing, fabricated metal products, computer and electronic manufacturing, and plastics and rubber manufacturing firms from L.A. County, which has a solid relative concentration of such firms.
- If additional industrial space is developed, Long Beach could likely attract new apparel and furniture manufacturing firms given its proximity to L.A., which has a solid concentration of such employers.
- Lower-tech manufacturing firms offer good jobs that match the skills of new immigrant residents and economic development efforts in this sector would increase job opportunities among Long Beach's newest residents. For example, a majority of production workers in the apparel sector are Hispanic (81 percent), Asian (16 percent), women (66 percent) and non-citizens (75 percent).

### *5.3.2 HIGH TECH*

#### 5.3.2.1 Overview

Long Beach has long pursued the "High-Tech" cluster which is an amalgam of sub-sectors from the Manufacturing, Information, and Business Services clusters (see Table 26). Boeing is sometimes thought of as a high-tech firm, however it has been excluded from the total employment numbers for this analysis because Boeing's facility in Long Beach is primarily engaged in manufacturing (it was included in the manufacturing analysis). Absent Boeing, Long Beach has not developed a critical mass of "High-Tech" firms. As shown in Table 26, High-Tech firms employ 5,417 or three percent of the Long Beach workforce. Indeed, High-Tech jobs are underrepresented in Long Beach relative to California with a LQ of 0.6. Long Beach has strong job concentrations in Telecom (LQ= 1.37), Specialized Design Service (LQ=1.65), and Management, Scientific and Technical Consulting Services (LQ=1.23). However, it has anemic job performance in Computer and Electronic Equipment Manufacturing (LQ=0.3), ISPs and Web Portals (LQ=0.1), and Research and Development (LQ=0.1).

**Table 26: High-Tech Cluster, Long Beach 2003**

| TITLE | Long Beach: Firms | Long Beach: Jobs | | Long Beach: Payroll/ Employee | Long Beach: Jobs/ Firm | Long Beach: % of All Jobs | California: Jobs | California: % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
|---|---|---|---|---|---|---|---|---|---|
| **High Technology Cluster** | 343 | 5,417 | $ | 63,690 | 15.793 | 3.3% | 972,700 | 5.7% | **0.6** |
| Computer and Electronic Product Manufacturing | 18 | 1,074 | $ | 58,225 | 60 | 0.7% | 326,100 | 1.9% | **0.3** |
| Electrical Equipment and Appliance Manufacturing | 7 | 360 | $ | 34,429 | 51 | 0.2% | 36,600 | 0.2% | **1.0** |
| Software Publishers | 6 | 149 | $ | 103,085 | 25 | 0.1% | 44,700 | 0.3% | **0.3** |
| Telecommunications | 41 | 1,467 | $ | 52,161 | 36 | 0.9% | 121,400 | 0.7% | **1.3** |
| Internet Service Providers, Web Search Portals and I | 12 | 58 | $ | 51,447 | 5 | 0.0% | 48,600 | 0.3% | **0.1** |
| Specialized Design Services | 35 | 345 | $ | 62,886 | 10 | 0.2% | 23,000 | 0.1% | **1.6** |
| Computer Systems Design and Related Services | 66 | 674 | $ | 76,219 | 10 | 0.4% | 166,200 | 1.0% | **0.4** |
| Management, Scientific and Technical Consulting Se | 149 | 1,197 | $ | 77,248 | 8 | 0.7% | 111,000 | 0.7% | **1.1** |
| Scientific Research and Development Services | 9 | 93 | $ | 104,153 | 10 | 0.1% | 95,100 | 0.6% | **0.1** |

Source: EDD, 2005

#### 5.3.2.2 Trends

**Jobs.** Employment in this cluster has grown slightly (+475 jobs) since 1997, with job gains in Specialized Design Services (+247), Management, Scientific and Technical Consulting Services (+605), and job losses in Internet Service Providers and Web Portals (-122 jobs), Computer and Electronic Product Manufacturing (-125 jobs), and Computer Systems Design (-233 jobs). High-Tech firms provide high median wages of $63,690 to a skilled workforce.

#### 5.3.2.3 Strengths & Challenges

- Long Beach has good connectivity, with a variety of telecom, broadband, and wireless services.
- Key employers, such as: Long Beach Computer Science Corp., Hughes, and Earth Tech, may strengthen the cluster over time.
- Long Beach does not have a sufficient concentration of high-tech workers.

#### 5.3.2.4 Implications for Economic Development

- High-Tech is not currently a strong job sector in Long Beach. However, it may grow in importance.
- Many economic regions have struggled to attract this sector through incentives and attraction packages. However, High-Tech firms require a few simple and hard to achieve ingredients to flourish, namely: access to first class universities and their graduates, access to venture capital, and a high quality of life to attract and retain a quality workforce.

### *5.3.3 Trade, Transportation and Warehousing*

5.3.3.1 Overview

Trade, Transportation and Warehousing[16] businesses employ 18,265 people, or 11 percent of the Long Beach workforce with an average wage of $45,085. With an overall location quotient of 0.7, this sector underperforms relative to the California economy. However, many jobs (14,205) are concentrated in transportation which has a relatively high location quotient of 3.1, indicating that Long Beach specializes in this sector. Over 7,500 people are employed in transportation support activities (see Table 27).

**Table 27: Trade Transportation and Warehousing Jobs, Long Beach 2003**

| | Long Beach | | | | | California | | |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Trade, Transportation and Utilities** | **633** | **18,265** | **$ 45,085** | **29** | 11.3% | 2,722,000 | 16.1% | **0.7** |
| **Wholesale Trade** | **347** | **4,060** | **$ 53,733** | **12** | 2.5% | 651,400 | 3.8% | **0.7** |
| Wholesalers, Durable Goods | 178 | 2,768 | $ 55,736 | 16 | 1.7% | 346,000 | 2.0% | **0.8** |
| Motor Vehicle and Motor Vehicle Parts Merchant \ | 16 | 282 | $ 39,767 | 18 | 0.2% | 41,900 | 0.2% | **0.7** |
| Furniture and furnishing merchant wholesalers | 9 | 154 | $ 42,303 | 17 | 0.1% | 19,500 | 0.1% | **0.8** |
| Lumber and const. supply merchant wholesalers | 9 | 110 | $ 59,496 | 12 | 0.1% | 22,800 | 0.1% | **0.5** |
| Professional and Commercial Equipment Merchar | 20 | 201 | $ 88,020 | 10 | 0.1% | 84,500 | 0.5% | **0.2** |
| Metal and mineral merchant wholesalers | 10 | 466 | $ 49,827 | 47 | 0.3% | 10,900 | 0.1% | **4.5** |
| Electrical and Electronic Goods Merchant Wholes | 19 | 337 | $ 66,122 | 18 | 0.2% | 48,400 | 0.3% | **0.7** |
| Hardware and plumbing merchantwholesalers | 21 | 304 | $ 68,724 | 14 | 0.2% | 23,800 | 0.1% | **1.3** |
| Machinery, Equipment and Supplies Merchant Wh | 49 | 495 | $ 49,866 | 10 | 0.3% | 52,200 | 0.3% | **1.0** |
| Miscellaneous Durable Goods Merchant Wholesa | 25 | 419 | $ 50,676 | 17 | 0.3% | 42,200 | 0.2% | **1.0** |
| Residual-Furniture and Home Furnishing Merchar | 0 | - | $ - | 0 | 0.0% | | 0.0% | NA |
| Wholesalers, Nondurable Goods | 108 | 1,054 | $ 48,229 | 10 | 0.7% | 233,200 | 1.4% | **0.5** |
| Wholesale Electronic Markets and Agents and Broker | 61 | 238 | $ 54,818 | 4 | 0.1% | 72,200 | 0.4% | **0.3** |
| **Transportation, Warehousing and Utilities** | **286** | **14,205** | **$ 42,613** | **50** | 8.8% | 480,700 | 2.8% | **3.1** |
| Utilities | 13 | 687 | $ 54,907 | 53 | 0.4% | 55,200 | 0.3% | **1.3** |
| Transportation and Warehousing | 273 | 13,518 | $ 41,988 | 50 | 8.3% | 425,400 | 2.5% | **3.3** |
| Air Transportation | 7 | 240 | $ 41,637 | 34 | 0.1% | 54,200 | 0.3% | **0.5** |
| Water transportation | 11 | 134 | $ 73,173 | 12 | 0.1% | 4,200 | 0.0% | **3.3** |
| Residual-Rail Transportation | 0 | - | $ - | 0 | 0.0% | | 0.0% | NA |
| Truck Transportation | 78 | 1,099 | $ 44,810 | 14 | 0.7% | 109,900 | 0.6% | **1.0** |
| Transit and Ground Passenger Transportation | 8 | 1,006 | $ 37,093 | 126 | 0.6% | 35,000 | 0.2% | **3.0** |
| Charter bus industry | 12 | 421 | $ 27,126 | 35 | 0.3% | 4,300 | 0.0% | **10.2** |
| Scenic and sightseeing transportation, water | 12 | 134 | $ 13,152 | 11 | 0.1% | | 0.0% | NA |
| Pipeline transportation | 4 | 180 | $ 107,515 | 45 | 0.1% | | 0.0% | NA |
| Support Activities for Transportation | 114 | 7,494 | $ 47,068 | 66 | 4.6% | 75,400 | 0.4% | **10.4** |
| Couriers and Messengers | 12 | 2,173 | $ 23,343 | 181 | 1.3% | 70,900 | 0.4% | **3.2** |
| Warehousing and Storage | 15 | 637 | $ 39,640 | 42 | 0.4% | 56,800 | 0.3% | **1.2** |

Source: EDD, 2005

By comparison, 4,060 people or 2.5 percent of the workforce was employed in 347 Wholesale Trade[17] firms. A location quotient of 0.7 for this sector indicates that Long Beach has fewer wholesale trade jobs than expected, especially given the concentration of transportation and warehousing jobs. By comparison in 1997, this sector employed 5,257 people in 402 establishments. The loss of 1,197 wholesale trade jobs may have resulted from firms leaving Long Beach for cheaper warehouse space elsewhere as industrial lease rates have increased over the past five years.

The wholesale trade and transportation and warehousing sectors are linked, and a concentration in one typically is paired with a concentration in the other. Higher relative land costs seem to be limiting the development of wholesale and warehousing facilities (as they typically require large floor plates and lots) near the extensive import/export activities taking place at the Port of Long Beach.

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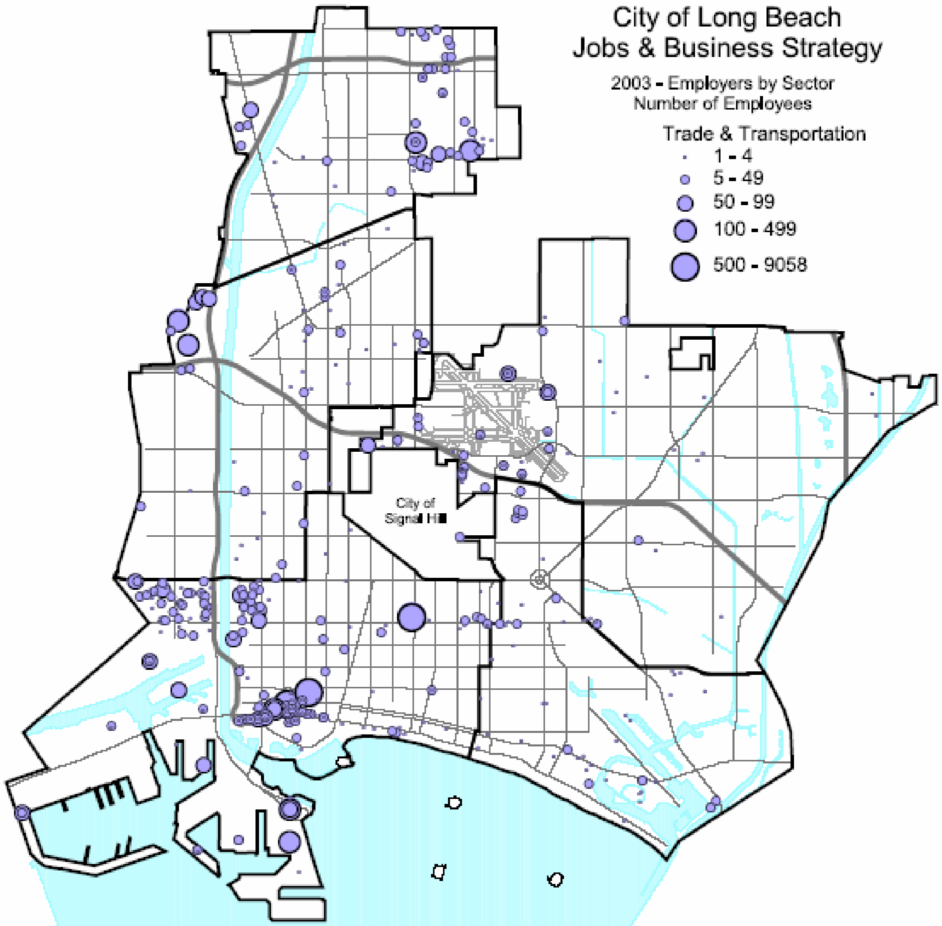
[16] Transportation and Warehousing businesses transport passengers and cargo, warehouse and store goods, and provide support activities related to modes of transportation.

[17] Wholesale trade establishments engage in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise.

**Wages.** This sector offers a solid average wage of $44,000 per year; and wages range from a low of $13,000 for water taxis to over $107,000 for pipeline transportation workers.

**Figure 21: Map of Trade and Transportation Firms, 2003**




Source: EDD, 2004

As illustrated in the map above, Trade and Transportation jobs are concentrated in downtown, the Port, the Airport, and North Long Beach.

### 5.3.3.2 Trends

Port growth should result in more transportation and wholesale trade employment over the coming 20 years. The Port of Long Beach remains one of the busiest container ports in the world and it is expanding in response to growing US demand for imports. Favorable economic conditions lifted container cargo volumes at the Port of Long Beach to a new high in 2003. The privately operated shipping terminals at the Port moved the equivalent of nearly 4.7 million twenty-foot-long units (TEUs), an increase of 2.9 percent over 2002. During 2003, the Port acquired new customers[18] and witnessed strong performances from its existing shipping lines.[19] However, the Port also lost a major shipping line, which makes the growth in container

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[18] New customers: China Shipping Container Line, Matson Navigation Co., Mediterranean Shipping Co., and the Grand Alliance vessels of Hapag-Lloyd, NYK Line and P&O Nedlloyd.

[19] Existing customers: China Ocean Shipping Co., Hanjin Shipping Co., Hyundai Merchant Marine Inc., "K" Line, Orient Overseas Container Line, Yang Ming and Zim Israel Navigation Co.

volume even more impressive. Overall imports (primarily clothing, toys, shoes and electronics) slipped by 1.8 percent to 2,409,576 TEUs. Amid an economic upturn in Asia and a weakening dollar, exports (primarily machinery, plastics, electronic components, meat and chemicals) climbed 5.8 percent to 904,539 TEUs – the first upturn in exports since 2000. Empty containers, headed back to be re-filled overseas, jumped 10.3 percent to 1,344,009 TEUs.

The Port will grow significantly through 2020 and cargo throughput will increase in virtually every cargo category (see Table 28), necessitating Port expansion and efficiency measures. The forecasted increase in cargo volumes will result in significant job growth in the truck and support activities for transportation sectors as well as increased traffic flows through and around Long Beach.

**Table 28: Projected Port of Long Beach Growth and Impacts on Capacity**

| | 2000 Volume | Current Capacity | 2020 Projected Volume: High | Low | Annual Change | Total Increase | Required New Capacity |
|---|---|---|---|---|---|---|---|
| Containerized Cargo (Million TEUs) | 4.6 | 6.5 | 16.6 | 12.1 | 5.0% to 6.6% | 256% | 5.6 to 10 |
| Automobile Cargo (Autos) | 274,042 | 622,800 | 573,667 | 296,300 | 2.3% to 4.1% | 109% | None |
| Neo Bulk and Break Bulk (million metric tons) | 2.1 | 6 | 9.6 | 7.4 | 6.1% to 7.5 % | 357% | 1.8 to 4.0 |
| Liquid Bulk Cargo (million metric tons) | 32 | 35.4 | 30.2 | 27.2 | -0.8% to -0.4% | -6% | None |
| Dry Bulk Cargo (million metric tons) | 6.1 | 12.1 | 8.3 | 7.1 | 1.2% to 2.2 % | 36% | None |

*Source: Port Facilities Master Plan*

International trading partners include the Pacific Rim nations of Japan, China, Taiwan, and Korea. In addition to containers, the Harbor facility handles crude and refined petroleum products, dry bulk such as coal, coke and cement; automobiles, lumber, paper and fruit; steel and scrap metal.

A recently completed economic impact analysis of the Port found that nearly $1.9 billion is spent per year in the city of Long beach for port industry services, primarily for terminal operations ($770 million), cargo packing ($286 million), trucking ($269 million) and ship repair ($101 million).[20] Clearly the Port is a driving force of the city's Trade cluster.

#### 5.3.3.3 Cluster Challenges and Constraints

- The high and increasing cost of warehouse and industrial space may cause more warehousing firms to leave Long Beach.
- Traffic congestion and transportation issues on the 710 freeway and the Alameda Corridor.
- Some community opposition to further Port expansion.

#### 5.3.3.4 Implications for Economic Development

- Wholesale Trade and Warehousing jobs have declined in Long Beach even as the Port has grown. Appropriate economic development efforts for this sector may include business retention calls for major employers and location assistance for firms interested in expanding into or within Long Beach.
- Increasing land prices and lack of available warehouse space will limit growth in the warehousing sector.
- Support Activities for Trade will continue to add more jobs in the near and far term. The Port of Long Beach expansion will drive job growth in this sector.

[20] "Economic Impacts: Contribution to the Local, State and National Economies", Port of Long Beach, 2005

## 5.4 Other Economic Sectors

### 5.4.1 FINANCE, INSURANCE AND REAL ESTATE

5.4.1.1 Jobs and Sector Analysis

The Finance, Insurance, and Real Estate (FIRE) sector is comprised of 756 firms employing 7,693 people (5 percent of the workforce) in 2003. With a location quotient of 0.9, this sector serves businesses and residents within Long Beach and does not export services to the region. The sector has employed between 7,000 and 9,000 people over the past ten years, some years gaining and other years losing a few hundred jobs.

**Table 29: Finance, Insurance and Real Estate Jobs, Long Beach 2003**

| | Long Beach | | | | | California | | Location Quotient |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | (Relative Concentration of Sector in Long Beach) |
| **Financial Activities** | **756** | **7,693** | **$ 52,598** | **10** | **4.7%** | **886,800** | **5.2%** | **0.9** |
| *Finance and Insurance* | 404 | 4,782 | $ 64,104 | 12 | 3.0% | 612,400 | 3.6% | **0.8** |
| Credit Intermediation and Related Activities | 158 | 1,870 | $ 68,130 | 12 | 1.2% | 294,800 | 1.7% | **0.7** |
| Depository Credit Intermediation | 69 | 1,240 | $ 76,639 | 18 | 0.8% | 169,300 | 1.0% | **0.8** |
| Nondepository Credit Intermediation | 39 | 362 | $ 65,208 | 9 | 0.2% | 84,800 | 0.5% | **0.4** |
| Activities Related to Credit Intermediation | 50 | 268 | $ 32,710 | 5 | 0.2% | 40,600 | 0.2% | **0.7** |
| Securities, Commodity Contracts and Investments | 81 | 825 | $ 76,817 | 10 | 0.5% | 86,200 | 0.5% | **1.0** |
| Insurance Carriers and Related | 157 | 2,073 | $ 55,713 | 13 | 1.3% | 220,200 | 1.3% | **1.0** |
| Insurance Carriers | 31 | 1,357 | $ 51,992 | 44 | 0.8% | 127,700 | 0.8% | **1.1** |
| Agencies, Brokerages, and Related Activities | 126 | 716 | $ 62,765 | 6 | 0.4% | 92,600 | 0.5% | **0.8** |
| Residual-Other Finance | 8 | 14 | $ 19,549 | 2 | 0.0% | 11,200 | 0.1% | **0.1** |
| *Real Estate and Rental and Leasing* | **352** | **2,911** | $ 33,698 | 8 | 1.8% | 274,400 | 1.6% | **1.1** |
| Real Estate | 309 | 2,242 | $ 33,525 | 7 | 1.4% | 195,100 | 1.2% | **1.2** |
| Lessors of Real Estate | 111 | 699 | $ 30,325 | 6 | 0.4% | 66,300 | 0.4% | **1.1** |
| Offices of Real Estate Agents and Brokers | 101 | 449 | $ 50,017 | 4 | 0.3% | 47,800 | 0.3% | **1.0** |
| Activities Related to Real Estate | 97 | 1,094 | $ 28,800 | 11 | 0.7% | 80,900 | 0.5% | **1.4** |
| Rental and Leasing Services | 38 | 615 | $ 30,152 | 16 | 0.4% | 76,100 | 0.4% | **0.8** |
| Passenger car rental and leasing | 16 | 189 | $ 41,768 | 12 | 0.1% | 23,017 | 0.1% | **0.9** |
| Equipment Rental and Leasing | 6 | 65 | $ 24,902 | 11 | 0.0% | 23,000 | 0.1% | **0.3** |
| Residual-Consumer Goods Rental | 16 | 361 | $ 46,883 | 23 | 0.2% | 31,300 | 0.2% | **1.2** |
| Lessors of Nonfinancial Intangible Assets | 5 | 54 | $ 81,263 | 11 | 0.0% | 3,200 | 0.0% | **1.8** |

Source: EDD, 2005

**Wages.** Average salaries range from $24,902 for people working in equipment rentals to $76,639 for bank employees.

5.4.1.2 Implications for Economic Development

Finance Insurance and Real Estate firms will continue to provide a base of solid jobs in Long Beach.

**Top Ten Finance, Insurance, and Real Estate Employers, Long Beach 2003**

200-500 employees
- SCAN HEALTH PLAN
- WELLS FARGO BANK NORTH AMERICA
- BANK AMERICA NORTH AMERICA
- BERRO MANAGEMENT
- VALUE BEHAVIORAL HEALTH OF CALIFORNIA

150- 200 employees
- FARMERS & MERCHANTS BANK
- BIXBY KNOLLS TOWERS
- COASTLINE EQUIPMENT
- LIVING OPPORTUNITIES MANAGEMENT CO
- UHC OF CA, INC.

*Source: MJC, 2005*

### 5.4.2 INFORMATION

5.4.2.1 Jobs and Sector Analysis

Long Beach has 2,604 information jobs or 1.6 percent or the job base. The City is under-represented for jobs in this sector (LQ=0.6), especially for a city of Long Beach's size. With no major news broadcasting station to match the size of Long Beach's population, the city struggles to maintain a separate image and identity from Los Angeles. The Press-Telegram is the largest employer in this sector.

**Table 30: Information Jobs, Long Beach 2003**

| | Long Beach | | | | | | California | | |
|---|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Information** | **99** | **2,604** | $ | 51,362 | 26 | 1.6% | 471,400 | 2.8% | **0.6** |
| Publishing Industries (except Internet) | 16 | 492 | $ | 59,764 | 31 | 0.3% | 106,200 | 0.6% | **0.5** |
| Newspaper, Periodical, Book and Directory Publisher | 10 | 343 | $ | 40,945 | 34 | 0.2% | 61,600 | 0.4% | **0.6** |
| Software Publishers | 6 | 149 | $ | 103,085 | 25 | 0.1% | 44,700 | 0.3% | **0.3** |
| Motion Picture and Sound Recording | 16 | 241 | $ | 81,104 | 15 | 0.1% | 141,200 | 0.8% | **0.2** |
| Broadcasting (except Internet) | 14 | 346 | $ | 15,302 | 25 | 0.2% | 44,800 | 0.3% | **0.8** |
| Telecommunications | 41 | 1,467 | $ | 52,161 | 36 | 0.9% | 121,400 | 0.7% | **1.3** |
| Internet Service Providers, Web Search Portals and Da | 12 | 58 | $ | 51,447 | 5 | 0.0% | 48,600 | 0.3% | **0.1** |

Source: EDD, 2005

5.4.2.2 Implications for Economic Development

The City might try to attract a news affiliate station such as Channel 13 KCOP to tell the Long Beach story and serve the Long Beach community.

### 5.4.3 GOVERNMENT

A little over 9,000 jobs are found within the Government sector, and the City of Long Beach is the largest employer with over 5,000 workers. Overall, Long Beach's government cluster is very lean with less than half the government jobs that would be expected for an economy of its size (LQ=0.4). These totals do not include government jobs in education (such as k-12 education and community colleges), which are included under the education cluster.

**Table 31 Government Jobs, Long Beach 2003**

| | Long Beach | | | | | | California | | |
|---|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Government** | **15** | **9,062** | **$** | **33,513** | **604** | 5.6% | 2,426,500 | 14.3% | **0.4** |
| Federal Government | 6 | 2,609 | $ | 17,532 | 435 | 1.6% | 258,700 | 1.5% | **1.1** |
| State Government | 7 | 751 | $ | 52,347 | 107 | 0.5% | 2,167,700 | 12.8% | **0.0** |
| Local Government | 2 | 5,702 | $ | 38,345 | 2851 | 3.5% | 1,696,200 | 10.0% | **0.4** |
| Local Government | 1 | 3,831 | $ | 57,073 | 3831 | 2.4% | | | |
| Local Government Recreation | 1 | 714 | $ | 23,982 | 714 | 0.4% | | | |
| Local Government Utilities | 1 | 750 | $ | 45,335 | 750 | 0.5% | | | |
| Local Government, Support Activities for Transporta | 1 | 407 | $ | 50,330 | 407 | 0.3% | | | |

Source: EDD, 2005

Long Beach has relatively more Federal Government than expected (LQ=1.4). Major Federal Government employers include: US Department of the Treasury, Bureau of Customs and Border Control and the Social Security Administration (the U.S. Postal Service is included under Trade). However, Long Beach has a very low concentration of State Government employment (LQ = 0.04). Major State employers include: the State Franchise Tax Board, the Employment Development Department, and the Department of Rehabilitation.

### 5.4.4 *OTHER SECTORS*

A variety of other sectors make up the remainder of Long Beach's economy, including Farm (24 jobs), Mining and Petroleum Products (659 jobs), Construction (5,727 jobs) and other services (4,381 jobs). Of these sectors, only Mining and Petroleum Products contribute to Long Beach's exports (LQ=3.1).

**Table 32: Construction, Mining, Farm and Other Services Jobs, Long Beach 2003**

| | Long Beach | | | | | California | | |
|---|---|---|---|---|---|---|---|---|
| TITLE | Firms | Jobs | Payroll/ Employee | Jobs/ Firm | % of All Jobs | Jobs | % of All Jobs | Location Quotient (Relative Concentration of Sector in Long Beach) |
| **Farm** | **7** | **24** | **$ 40,465** | **3** | 0.0% | 375,000 | 2.2% | **0.0** |
| **Mining & Petroleum Products Mfg.** | **24** | **659** | **$ 72,250** | **27** | 0.4% | 22,000 | 0.1% | **3.1** |
| Oil and Gas Exploration | 10 | 374 | $ 76,186 | 37 | 0.2% | 6,100 | 0.0% | **6.4** |
| Support activities | 9 | 122 | $ 64,892 | 14 | 0.1% | 6,300 | 0.0% | **2.0** |
| Petroleum and Coal Products Manufacturing | 5 | 163 | $ 68,729 | 33 | 0.1% | 15,400 | 0.1% | **1.1** |
| **Construction** | **355** | **5,727** | **$ 44,499** | **16** | 3.5% | 788,800 | 4.7% | **0.8** |
| **Other Services** | **659** | **4,381** | **$ 39,210** | **7** | 2.7% | 505,800 | 3.0% | **0.9** |
| Repair and Maintenance | 212 | 1,979 | $ 47,627 | 9 | 1.2% | 157,000 | 0.9% | **1.3** |
| Personal and Laundry Services | 231 | 1,910 | $ 23,335 | 8 | 1.2% | 134,900 | 0.8% | **1.5** |
| Religious, Grantmaking, Civic, Professional and Simila | 25 | 234 | $ 118,575 | 9 | 0.1% | 213,900 | 1.3% | **0.1** |
| Private households | 191 | 258 | $ 20,188 | 1 | 0.2% | | 0.0% | NA |

Source: EDD, 2005

#### 5.4.4.1 Trends

- Volatile and most likely increasing world oil prices will improve profitability at Long Beach oil extraction facilities. While increasing automation will further dampen employment.
- New development and construction activities at the Douglas Park project will likely result in a temporary increase in construction jobs in Long Beach.
- The City's new Jobs Initiative will specifically link local contractors with new construction opportunities with the City of Long Beach.

# 6 MARKET SUPPORT FOR NEW DEVELOPMENT

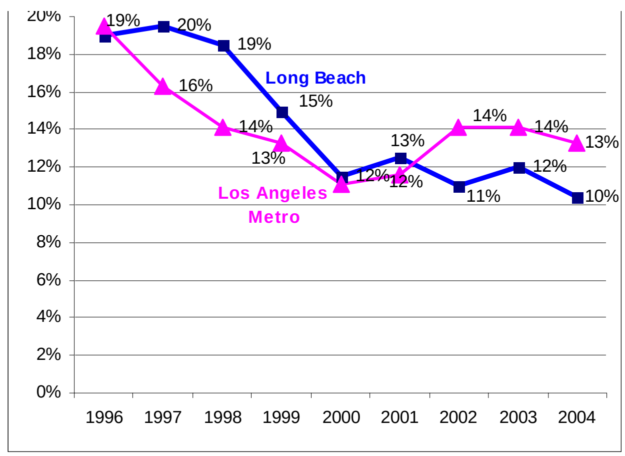
This section explores the current and future market for office, retail and industrial space and includes a discussion of key "opportunity areas" in Long Beach.

## 6.1 Current Long Beach Office, Retail and Industrial Markets

### *6.1.1 OFFICE MARKET*

In 1997, the Long Beach office market started to recover from years of high vacancy rates. Additionally, unlike other South Bay office markets, the Long Beach office market has continued to improve in the post dot-com era. As indicated in Figure 22, office vacancy is currently 10 percent in Long Beach, down from a high of 19.5 percent in 1997. Long Beach vacancy has fallen faster and further than overall vacancy in the Los Angeles metro area. Long Beach has a diversified office tenant base and seems to handle economic change better than some markets. As Long Beach did not attract significant dot-com activity during the technology boom it has not suffered from some of the very high vacancy rates plaguing the recovery of South Bay cities like El Segundo.

**Figure 22: Long Beach & L.A. Metro Area Office Vacancy**




Long Beach's office market consists of approximately 8 million square feet of competitive class A and B space.[21] The market is split between the Downtown and Long Beach Airport areas with each offering over 3 million square feet. As indicated in Table 33 below, Long Beach vacancy is 10 percent, the rate that is considered balanced between the landlord and tenant needs. A higher rate tends to place downward pressure on lease rates, which inhibits new development and impacts landlord ability to profitably maintain property. A lower vacancy rate will typically result in rapid rent increases, which can force some businesses out of the city in search of lower rents.

**Table 33: Long Beach and Competitor City Office Market, Class A and B Space, Q3 2004**

| Sub-Market | No of Buildings | Total Inventory sq. ft. | Available sq. ft. | Vacancy Rate | Class A Lease Rate ($/sq ft) | Absorption |
|---|---|---|---|---|---|---|
| Downtown Long Beach | 22 | 3,939,752 | 523,987 | 13.3% | $ 2.16 | 50,210 |
| North Long Beach | 12 | 787,251 | 81,874 | 10.4% | $ 1.65 | (18,007) |
| East Long Beach/Marina | 6 | 479,257 | 36,903 | 7.7% | NA | (6,494) |
| Long Beach Airport/Freeway | 23 | 2,965,228 | 204,601 | 6.9% | $ 1.87 | 33,060 |
| ***Total Long Beach*** | ***63*** | ***8,171,488*** | ***847,365*** | ***10.4%*** | ***$ 2.00*** | **58,769** |
| El Segundo/Beach Cities | 69 | 10,159,604 | 2,377,347 | 23.4% | $ 2.11 | 203,181 |
| Torrance Central | 45 | 3,520,481 | 612,564 | 17.4% | $ 2.02 | (71,759) |
| LAX/Century Blvd. | 18 | 3,884,716 | 1,188,723 | 30.6% | $ 1.51 | (18,051) |
| 190th Corridor | 34 | 3,506,630 | 690,806 | 19.7% | $ 1.88 | (33,886) |
| ***South Bay Competitor Market*** | ***166*** | ***21,071,431*** | ***4,869,440*** | ***23.1%*** | ***$ 1.95*** | **79,485** |
| ***Total South Bay Market*** | ***229*** | ***29,242,919*** | ***5,716,805*** | ***19.5%*** | **1.96** | **138,254** |

*Source: Cushman & Wakefield, 2004; MJC 2004*

[21] Class A space is high-end office space with quality interior finishes and all standard services (such as a door man/security guard). Class B space tends to be older quality space with fewer services/amenities.

However, as indicated in Table 33, the Long Beach office market is still absorbing new office users (58,769 sq. ft. of new users in the third quarter of 2004).[22] Long Beach's competitive lease rates speak to the increasing desirability of the Long Beach office market. The market is also sufficiently tight to stimulate construction of new office development projects. (see Table 34). Overall asking lease rates are a healthy $2.00 per square foot, with slightly higher rates in Downtown Long Beach at $2.16/SF. These rates are competitive with other areas of the South Bay market, which range from $1.51/SF near LAX and $2.11/SF in El Segundo.

Within the Long Beach market, Class B space is filling up and vacancy rates are on par with Class A space. This indicates further health in the office market: in prior years, tenants left Class B space to trade up to Class A space because the market was weak and tenants could get better space for equivalent rents. This is no longer the case. In the 3rd quarter of 2004, 54,000 square feet of Class B space was absorbed. In the near term, Class A office space should experience modest gains in average lease rates. However, potential rent increases will depend on office vacancy rates in surrounding communities; if vacancy continues to increase it will dampen upward pressure on Long Beach lease rates.

#### 6.1.1.1 L.A. Basin Office Market

Long Beach is part of the larger L.A. office market, the fourth largest office market in the United States, with over 246 million square feet. Recently the L.A. office market has experienced an upswing in leasing activity and net absorption that mirrors the trends in Long Beach. However, high-rent areas such as West Los Angeles and South Orange County have experienced the strongest net absorption in the past year indicating that lease rate is not as important to many tenants as facility location and amenities. In addition, most of the positive net absorption has taken place in Class A space, indicating a strengthening in the economy with firms willing to move into more expensive space.

- Overall office vacancy rates in L.A. County fell 2 percentage points to 15.5 percent in the third quarter of 2004. This is above the 10 percent level that the industry considers equilibrium, so the market remains a "renter's market."
- Overall, rental rates in Los Angeles Basin are still a bargain compared to other major metro areas. For example, Class A space in L.A. averages $2.39/SF compared to midtown Manhattan's $4.50/SF, $3.20/SF in Boston, $3.50/SF in Washington D.C. and $2.50/SF in the San Francisco Bay Area. Rental rates will inch up in the near term and climb more sharply in mid 2005 as vacancy continues to decline. Recent demand for space has been driven primarily by firms in the professional and business services sectors as well as by the finance sector. Overall demand from the high-tech, communications and entertainment sectors also continues to show improvements.
- Office property buyers spent more than $4.2 billion on office buildings in Los Angeles County in 2004, twice as much as in 2001 and 6 percent more than last year, according to Cushman & Wakefield. The average price rose to $196/sq. ft. in 2004 from $156/sq. ft. in 2003.

### 6.1.2 RETAIL MARKET

Long Beach's 5.3 million square feet of retail space is located in a variety of submarkets, each of which has a distinct character.

- The Downtown market includes Pine Avenue, the East Village, City Place and the Pike. Overall lease rates in downtown Long Beach range from $1.00 to $3.25/SF depending on location and amenities, with an average rate of $1.75/SF.

[22] Absorption refers to the amount of vacant space that is leased to tenants (absorbed) during a specific time period.

- Commercial corridors such as Long Beach Boulevard, Pacific Coast Highway, Anaheim, and other major arterials have lower overall lease rates ranging from $1.00 to $1.75/SF. Vacancy tends to be higher in auto-oriented non-mall corridor retail.
- Neighborhood shopping mall and pedestrian friendly shopping areas, such as Belmont Shore, Bixby Knolls, El Dorado Shopping Center, and the Long Beach Boulevard Shopping Center have higher lease rates ranging from $1.50 to over $3.50/SF.

### *6.1.3 INDUSTRIAL MARKET*

Long Beach is part of the Long Beach/Harbor Cities industrial sub-market. According to Colliers Seeley, a real estate firm which tracks the industrial market, this market has over 38 million square feet of space with an average vacancy rate of 2.8 percent as of the second quarter of 2004. This is an extremely low industrial vacancy rate which indicates considerable pressure in the marketplace for more space. In addition, the Long Beach/Harbor Cities market has experienced an incredible rate of space absorption in the past quarter, with over 2 million square feet leased. Average lease rates were $0.54 per square foot per month; a slightly higher rate than many areas in L.A. County. In Q3 of 2004, just 164,900 SF of industrial space was added to the market, while another 455,600 SF was under construction and 423,600 SF was planned.

#### 6.1.3.1 Los Angeles Industrial Space Market

With over 1.2 billion square feet in buildings of 10,000 square feet or more, the Los Angeles Basin boasts the largest industrial base in the nation. Forty-nine percent of the market is composed of large spaces (100,000+ SF), while 51 percent of industrial space is in medium and smaller sized buildings. Roughly 90 million SF or 10 percent of the space is dedicated to R&D. According to Colliers Seeley total vacancy was very low at 4.2 percent in the second quarter of 2004 and rents average $0.48 per square foot per month.

#### 6.1.3.2 Implications for Economic Development

- Long Beach has a balanced office market. Anticipated job growth will create a market for new office development in Downtown and near the Airport.
- Long Beach currently has a shortage of industrial space, which may exacerbate attempts to attract and retain the high-tech and manufacturing firms which are vital to retaining a solid Long Beach middle class.
- Long Beach has a mismatch of retail space. Under-performing corridor retail should provide opportunities for mixed-use redevelopment and the creation of pedestrian-friendly residential-serving nodes given planned changes in City zoning.

## 6.2 Future Office, Retail and Industrial Demand

### 6.2.1 *Historic Construction Trends*

Though past performance is no guarantee of future performance, it does provide a reasonable starting point for a forecast.

**Office and Retail.** Since 1990, developers have added an estimated 245,000 SF per year to the Long Beach inventory of office and retail space (see Table 34). However, the amount of space added each year varies widely based on the strength of the local economy, the development pipeline, and the approval process. New office and retail construction in a single year varies from an estimated 23,000 to over 700,000 square feet.

**Industrial.** Over the past 15 years, developers have built an estimated 72,000 square feet of new industrial space per year on average. As shown in Table 35, new industrial space has varied from a low of 15,000 to a high of 251,000 square feet per year.

**Table 34: Building Permit Valuation, New Office & Retail Space, Long Beach, '90 – '02**

| Year | Estimated sq. ft.* | Valuation (2002 Dollars) |
|---|---|---|
| 1990 | 495,968 | $ 61,996,000 |
| 1991 | 134,608 | $ 16,826,000 |
| 1992 | 70,192 | $ 8,774,000 |
| 1993 | 99,784 | $ 12,473,000 |
| 1994 | 23,224 | $ 2,903,000 |
| 1995 | 25,072 | $ 3,134,000 |
| 1996 | 325,800 | $ 40,725,000 |
| 1997 | 103,320 | $ 12,915,000 |
| 1998 | 533,936 | $ 66,742,000 |
| 1999 | 203,944 | $ 25,493,000 |
| 2000 | 275,456 | $ 34,432,000 |
| 2001 | 180,752 | $ 22,594,000 |
| 2002 | 719,920 | $ 89,990,000 |
| Average | 245,537 | $ 30,692,077 |

Source: MJC, 2004; Construction Industry Research Board; Macgraw Hill Construction Price Index, RS Means Square Foot Costs, 2005

* Assumes $125/SF for construction costs

**Table 35: Building Permit Valuation, New Industrial Space, Long Beach '90 - '02**

| Year | Estimated sq. ft.* | Valuation (2002 Dollars) |
|---|---|---|
| 1990 | 28,253 | $ 2,119,000 |
| 1991 | 83,851 | $ 6,423,000 |
| 1992 | 71,984 | $ 5,514,000 |
| 1993 | 251,384 | $ 19,256,000 |
| 1994 | 68,681 | $ 5,261,000 |
| 1995 | 12,846 | $ 984,000 |
| 1996 | 35,157 | $ 2,693,000 |
| 1997 | 50,444 | $ 3,864,000 |
| 1998 | 15,405 | $ 1,180,000 |
| 1999 | 53,225 | $ 4,077,000 |
| 2000 | 76,279 | $ 5,843,000 |
| 2001 | 86,292 | $ 6,610,000 |
| 2002 | 111,031 | $ 8,505,000 |
| Average | 72,634 | $ 5,563,769 |

Source: MJC, 2004; Construction Industry Research Board; Macgraw Hill Construction Price Index, RS Means Square Foot Costs, 2005

* Assumes $76/SF for construction costs

### 6.2.2 *FORECAST DEMAND*

New office and retail development can be forecasted based on predicted job growth in the City of Long Beach. As shown in Table 36, Long Beach will add as many as 18,000[23] jobs if past growth rates continue for each of the indicated sectors, and if the manufacturing sector does not suffer additional large job losses. Based on forecasted job growth, the City of Long Beach should have sufficient demand to support construction of roughly 2 million SF of office and institutional space, 1.2 million SF of industrial space, 500,000 SF of retail space, and 200,000 SF of restaurant space.

**Table 36: Forecasted Job Growth and Office Space Demand (SF) by Sector Through 2010**

| Growth Sectors | Projected Job Growth Through 2010* | Projected Demand in Square Feet Through 2010** | | |
|---|---|---|---|---|
| | | Office & Institutional (SF) | Industrial (SF) | Retail (SF) |
| **Office & Institutional** | | | | |
| Business & Professional Service Jobs | 6,374 | 1,593,542 | | |
| Finance Insurance & Real Estate | 363 | 90,625 | | |
| Education & Health | 888 | 310,844 | | |
| **Industrial** | | | | |
| Construction | 557 | 5,569 | 27,844 | |
| Trade Transportation & Utilities | 6,230 | 62,304 | 1,246,080 | |
| **Retail** | | | | |
| Retail Trade | 2,471 | 24,708 | | 494,167 |
| Restaurants | 1,930 | 19,300 | | 193,000 |
| **Total** | **18,813** | 2,106,892 | 1,273,924 | 687,167 |

*Source: MJC, 2005; EDD, 2004*

Notes: * Job Growth predictions are based on past growth performance in each sector

** Demand projections are based on the following assumptions: 250 SF of Office Space per new Business Services, Professional Services, Finance, Insurance and Real Estate Job; 350 SF of Institutional space per Educational and Health job; 50 SF of Industrial space per Construction Job; 200 SF of Industrial space per Trade, Transportation and Utility Job as much of the job growth in this sector will be in the transportation sector; 200 SF per new Retail job and 100 SF per new restaurant job.

New development will likely occur in the key opportunity areas described in the next section.

[23] This job growth forecast is in line with SCAG projections of 21,000 new jobs for Long Beach by 2010. The SCAG projections have not been used here because they use an inaccurate job base number, namely the number of employed residents in Long Beach rather than actual jobs in Long Beach, and they are not disaggregated by economic sector.

## 6.3 Key Economic Opportunity Areas

From an economic development perspective, Long Beach consists of a discrete number of key "opportunity areas" that function uniquely within the overall economic and community structure. In this context, it is important first to review the different "opportunity areas" that exist in Long Beach, to describe their location and characteristics, and to consider the economic development roles they may play alone and in combination with one another.

### 6.3.1.1 The Downtown and Waterfront

Long Beach's community image and identity is centered on the downtown and waterfront – an area of commercial and City government activity with a "core" bounded roughly by Shoreline Drive to the south, I-710 to the west, Linden Ave to the East and 7th Street to the North. The downtown exudes a "small town" feel, with the walk-able Pine Avenue retail core, a mix of historic art-deco and modern architecture, and a tourist-serving environment which includes first class hotels, the convention center, the Aquarium, the Pike at Rainbow Harbor, and the Performing Arts Center. The downtown serves as the primary tourist destination, as well as the community center for most local government functions.

### 6.3.1.2 The Douglas Park Development Project

The Douglas Park Project represents the single largest redevelopment opportunity Long Beach will face in the immediate future. Located immediately adjacent to the Long Beach Airport on 238 acres, the Douglas Park Plan calls for a range of potential uses for this newest of Long Beach neighborhoods, including 1,400 residential units, 3.3 million square feet of commercial and office space, up to 400 hotel rooms, up to 200,000 square feet of retail space, and 11 acres of parks and open space.

### 6.3.1.3 Boeing 717 Plant Site

Boeing 717 plant is a 90 acre site composed of the 600,000 square foot assembly hangar, a paint hangar, empty assembly building, office space and parking lots. This site will likely become available for re-use soon as Boeing recently announced plans to stop production of the 717. As the site is zoned industrial, the City will require rezoning and a specific plan for re-use of this site for non-manufacturing purposes.

### 6.3.1.4 The Port of Long Beach

Nearly $100 billion a year in international trade moves through the Port of Long Beach, including: clothing, toys, shoes, home furnishings and consumer electronics. The Port is a regional economic driver with over 4.7 million TEUs (Twenty-foot equivalent units) shipped per year through 1,500 acres of terminals. The Port's recently completed Facilities Master Plan outlines a high and low growth forecast for the Port. If year 2020 trade volumes reach low-end forecasts, the Port of Long Beach can accommodate its cargo handling needs by maximizing use of existing land, acquiring and redeveloping privately-owned land, increasing terminal operating efficiencies, and constructing landfills totaling approximately 200 acres. If year 2020 trade volumes reach high end forecasts, the Port of Long Beach will require landfill totaling approximately 450 acres (please see Table 28 for further details). Early planning has begun for a major landfill within the West Basin to provide additional acreage as landfill mitigation credits become available.

Major near-term Port projects, include:

- Construction of a new 389-acre Pier T Marine Terminal and a new 198-acre Pier S Marine Terminal
- Consolidation of Piers G and J into a 300-acre terminal and Piers E and F into a 338-acre marine terminal
- Expansion of the existing Pier J, through minor landfills totaling 100 acres, into a 370-acre Marine Terminal
- Expand the existing Pier A Marine Terminal
- Construction of a new, deepwater, liquid bulk terminal facility on Pier T to service larger vessels
- Relocate portions of the existing Pier B Auto Terminal

6.3.1.5 Long Beach Airport

The Long Beach Airport, home to some 2.9 million square feet of office space, accommodates over 190 businesses and the Long Beach Airport Business Park. Key employers include Epson, DeVry University, Gulfstream Aerospace Corporation, United Technologies Corporation, JetBlue Airways, and SCAN Health Plan. The Long Beach Airport office market is preferred by many businesses due to proximity to the Airport and the 405 freeway.

6.3.1.6 CSU Long Beach

The CSU Board of Trustees has asked all 13 CSU campuses to accept an additional 100,000 FTE (Full Time Equivalent) students by 2011, representing an increase of 31 percent over current enrollment of 321,000 FTES. Some portion of this total enrollment increase will occur at CSU Long Beach. The campus Master Planning effort, currently underway, is exploring how to add up to 9,000 additional FTE students to CSU Long Beach. In 2005, CSU Long Beach will enroll 26,800 FTE students. Overall the campus is committed to preserving green space and will develop new capacity on existing parking lots and developed sites in the Campus core.

6.3.1.7 North Long Beach Manufacturing Cluster

With 586 acres dedicated to industrial uses, North Long Beach is home to such key manufacturing firms as TABC, the Bragg Company and MC2, and these businesses are recognized as assets of North Long Beach for the quality jobs and revenues they contribute to the economy. The North Long Beach Strategic Guide for Redevelopment identifies potential demand for 900,000 square feet of additional industrial development per year in North Long Beach through 2010.[24]

6.3.1.8 Commercial Corridors

A wide variety of commercial (office and retail) uses are located along major arterials in Long Beach. Much of this development can be described as "outmoded auto-oriented strip development." In past community involvement efforts, community members have expressed a desire to re-orient these auto-oriented strip developments into "nodes" of more intense "village center" pedestrian-friendly development at key intersections and sub-regional shopping areas that more accurately respond to current retailing trends.

6.3.1.9 Vacant Lands

With just 473 remaining acres, vacant land is a disappearing resource in Long Beach. Most vacant parcels are concentrated in North Long Beach (100 acres) and West Central Long Beach (148 acres).

6.3.1.10 Oil lands

Over 368 acres in Long Beach are dedicated to oil field extraction. Once these wells run dry this land may also be available for development or use as open space.

6.3.1.11 Westside Manufacturing Area

The Westside manufacturing area includes 180 industrial acres and the CSU Long Beach Bio-Tech and High Tech Center. Located close to the 710 FWY, the Westside may offer opportunities to attract additional manufacturing and high-tech businesses.

[24] Though this estimate assumes that North Long Beach could attract all the potential industrial development in the Long Beach/Paramount submarket which is unlikely. For a more refined estimate of market support for new industrial development please see Chapter 7 of this report. Industrial estimate can be found in North Long Beach Guide for Redevelopment, page 21

## CONCLUSION

This report is a starting point for the formulation of a meaningful Jobs and Business Strategy for the City of Long Beach. The Long Beach community will decide, together, how this information should inform and guide the City's future economic development activities. To recap, key findings include:

**Demographic Findings**

- Long Beach is part of a regional economy with many residents working outside the city and many jobs held by non-residents.
- Long Beach has a very diverse population which is geographically separated.
- Long Beach's middle class is shrinking.
- Poverty impacts children more than any other group in Long Beach. Many of Long Beach's youth are both not in school and not employed.

**Key Market Findings**

- High housing costs have brought Long Beach's stint as one of the last affordable beach towns in Los Angeles County to an end.
- Long Beach's office market is healthy.
- The industrial market is very tight, with a vacancy rate of 2.8 percent and rising lease rates.
- The retail market is a mixed bag, of well performing neighborhood and promenade shopping, poorly performing commercial corridors, and mixed performance in Downtown's shopping venues.
- The hotel market has recovered from 9/11 and the recession.

**Key Job Findings**

- Long Beach's economy has shifted emphasis from a manufacturing and trade based economy to one focused on education, tourism, and professional and businesses services. This employment shift has likely increased income bifurcation in Long Beach as new jobs pay significant less than lost jobs.

6.3.1.12 Chapter IV: Residents and Workers

**Demographic Analysis.** Most of the tables and data presented in this section were obtained from the 2000 Population Census of Long Beach and 2003 census data.

**Housing affordability analysis.** In order to analyze housing affordability and its impact on economic development and employment, MJC used U.S. Census data on income distribution and compared it to a distribution of recent home sales prices (obtained from RealFacts™) and housing rental rates to determine what, if any, affordability gap exists for various family sizes and income groups in Long Beach.

6.3.1.13 Chapter V: Business and Jobs Analysis

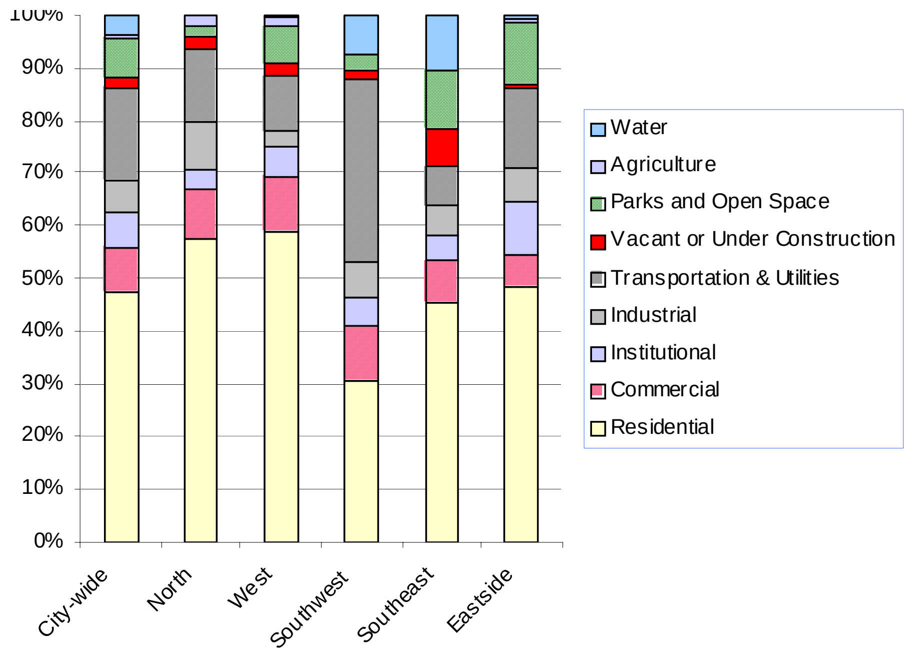
Cluster Analysis: In order to complete this analysis, MJC obtained confidential employment data for 2003 from the California Employment Development Department (EDD). This data, known commonly as "ES 202", provides the NAICS classification, total employment, total payroll and the location of every business in the City of Long Beach that pays State payroll taxes. This is the most comprehensive source for employment data by industrial sector. MJC aggregated the data from over 7,000 businesses into business sectors to calculate: total employment, total number of firms, the location quotient, average business size, and average payroll per employee for each sector and sub-sector. The data was also used to calculate business churning within Long Beach for 2003. Aggregate data from the 1997 Census of Manufacturers was used to identify growth and change within each sector.

**Retail Sales Leakage Analysis.** In order to complete this analysis, MJC used published State Board of Equalization data for taxable retail sales by broad category. These data were analyzed to complete a retail leakage analysis by comparing Long Beach's retail sales per person for each category with retail sales per person for the State of California. Potential leakage locations were identified by comparing retail sales per person for Long Beach with that of nearby cities. Total sales leakage and lost sales tax revenues were calculated by subtracting existing Long Beach retail sales by category from anticipated retail sales given L.A. benchmarks.

**Tourism Analysis.** Job totals for the tourism analysis were formulated based on ratios from an LA County study on tourism impacts completed by Dean Runyun Associates for the State of California. The study, California Travel Impacts by County, 1992-2003, provides ratios for total jobs and revenues by sector for L.A County.[25] MJC used these ratios to calculate the proportion of total jobs in each category for Long Beach that could be attributed to tourism expenditures, using Long Beach's accommodation jobs as a given to calculate the remaining job figures. Likewise MJC used total accommodation revenues, calculated from TOT data, to estimate the revenue for the other sectors based on the L.A. ratios. This analysis underestimates impacts, as property and business taxes were not included in Table 17 (page 26).

[25] http://www.deanrunyan.com/pdf/pdfca/dscou02.pdf

### Figure 1: Land Use by Long Beach Planning Area




### Figure 2: Long Beach Ethnicity

| | Percent | Total |
|---|---|---|
| Other | 2.0% | 9,467 |
| 2+ Races | 2.0% | 9,595 |
| Black | 10.2% | 48,491 |
| Asian | 13.5% | 63,923 |
| White | 28.4% | 134,539 |
| Hispanic | 43.9% | 207,980 |
| | 100.0% | 473,995 |

*Source: Census, 2003*

### Figure 5: Unemployment, 1996-2004

| | Long Beach | Los Angeles | California |
|---|---|---|---|
| 1996 | 7.7% | 9.3% | |
| 1997 | 6.4% | 7.8% | |
| 1998 | 6.1% | 7.4% | |
| 1999 | 5.4% | 6.7% | |
| 2000 | 5.0% | 6.1% | 4.9% |
| 2001 | 5.3% | 6.4% | 5.4% |
| 2002 | 6.3% | 7.7% | 6.7% |
| 2003 | 6.5% | 8.0% | 6.7% |
| 2004 | 5.5% | 6.7% | 5.7% |

*Source: BLS, 2005*

### Figure 10: Long Beach Employment, 1991-2003

| Year | Total Jobs |
|---|---|
| 1991 | 168,815 |
| 1992 | 165,642 |
| 1993 | 152,108 |
| 1994 | 165,849 |
| 1995 | 175,252 |
| 1996 | 164,272 |
| 1997 | 162,552 |
| 1998 | 157,636 |
| 1999 | 165,549 |
| 2000 | 162,054 |
| 2001 | 163,500 |
| 2002 | 164,800 |
| 2003 | 162,093 |
| Average | 163,856 |

*Source: EDD, 2005*

### Figure 11: Jobs by Sector, Long Beach CA.

| | 2003 Jobs | Percent |
|---|---|---|
| Other | 683 | 0.4% |
| Information | 2,604 | 1.6% |
| Personal Services | 4,381 | 2.7% |
| Construction | 5,727 | 3.5% |
| Finance, Insurance, Real Estate | 7,693 | 4.7% |
| Government* | 9,062 | 5.6% |
| Manufacturing | 17,239 | 10.6% |
| Trade | 18,265 | 11.3% |
| Retail Trade | 14,987 | 9.2% |
| Tourism, Leisure, Hospitality & Arts | 19,001 | 11.7% |
| Professional & Business Services | 22,527 | 13.9% |
| Education Services | 16,512 | 10.2% |
| Health Services | 23,412 | 14.4% |
| Total Jobs | **162,093** | 100% |

*Source: EDD, 2005*

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